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A PRIMER ON TRADEMARK LAW AND
INTERNET ADDRESSES

by DAVID J. LOUNDY†

I. INTRODUCTION

Quite a bit has been written in the recent past about trademark1 issues surrounding the registration and use of Internet domain names. Since these articles have been written, there have been a number of new and significant cases decided, and new legislation has passed which affects domain name disputes. This article examines these cases and presents a more complete primer on trademark and dilution law as it pertains to various aspects of Internet addressing, including domain names.

Using a series of examples—some hypothetical, and some drawn from real incidents—this paper will step through a legal analysis of the addresses' use, and will examine situations in which an infringement may occur.

II. INTERNET ADDRESSES

Computers connected together via the Internet are able to send information back and forth because each connected machine (often referred to as a "host")2 possesses a unique address. Each Internet Protocol ("IP") address takes the form of four sets of numbers, separated by periods, or "dots." The IP number system is coordinated by, and numbers are assigned under the authority of, the Internet Assigned Numbers Authority ("IANA") which receives its charter from the Internet Society and the Federal Network Council. These IP numbers are long and hard to remember. They are what computers understand and use to route traffic on the Internet.

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1. For the sake of convenience, in most cases trademarks and servicemarks will be dealt with synonymously.
For convenience, humans use "domain names" instead. The purpose for creating the domain name system was to make human access to machines on the Internet easier—not to identify trademarks. The domain name system, however, was also created before the explosive growth of the Internet and the vast increase in commercial interest in the network.

There are different "levels" to a domain name. Starting at the right end of an Internet e-mail address is the "top level" domain. These may be country codes, such as .us or .au, or they may be "international Top Level Domains" such as .com or .org. The IANA decides who will manage these top level domains—in other words, who will register any “second level” names within a specific top level domain. Currently, the National Science Foundation is responsible for the registry of .com, .org, .edu, and .net domains. It, in turn, has licensed management to Network Solutions, Inc. (“NSI”) which maintains the InterNIC Internet Registry.

Thus, to get a second-level domain name, an organization applies to the appropriate registry e.g., the InterNIC for a .com address. Names are generally given out by top-level registries on a first-come, first-served basis without determining the legality of the registering organization's use of that name. The second-level domain holder may then act as a registry for third-level domains within the second-level domain, or may assign host names within the second-level domain.

3. For instance, as of this writing, the e-mail address of the author at David@Loundy.com is equivalent to David@206.54.248.130; however, for complex technical reasons, e-mail sent to the second address probably will not arrive.
4. Often referred to in abbreviated form as "iTLDs." Some refer to these as "generic Top Level Domains" or "gTLDs."
7. Just to add to the confusion, host names may match domain names. Loundy.com, for instance, refers to both the second-level domain name, loundy, in the .com top-level domain, but it also refers to the host located at that address. Worse still, using the concepts of "aliasing" and "virtual hosts" one machine or domain name can be made to look like another, or part of another. Loundy.com is a "virtual host"—while it "appears" to be a separate machine, it is merely a directory on a machine in the domain of one of the author's service providers, located in the domain netural.com. By using such aliases, if an organization uses one service provider to maintain an Internet presence, and the organization wishes to change service providers, the "alias" can be changed for the underlying host, thus allowing the organization to keep the same Internet address. In other words, while loundy.com is an alias for a machine operated by one provider, users only need to know the loundy.com address. If necessary, loundy.com can be maintained by a new provider—the loundy.com address does not change, even though the machine for which it is an alias does change. This is another reason why using domain names is easier than using the underlying IP numbers. A name is an alias for an IP number. Should the IP number for a host
Once a machine is given an address, the system operator of that host assigns “accounts” or “UserIDs” or “logins” to users of that host. While not a portion of the domain name, this account name will show up in various places in various types of Internet addresses. For instance, different services may be available for each user ID. Each account will likely have an electronic mailbox, and thus an e-mail address of the form “mailto:UserID@machine.second-level-domain.iTLD.” Each account may have an FTP (file transfer protocol) directory (or gopher space) set up for the account holder. Such an address would look like “ftp://machine.second-level-domain.iTLD/~UserID.” Perhaps the user will also have a web page set up in its account, and thus have the address “http://machine.second-level-domain.iTLD/UserID.”

While much of the controversy surrounding Internet addressing disputes has been at the second-level domain name stage, the potential for trademark and unfair competition disputes encompass more than just these second-level domain name conflicts. For instance, UserIDs (in e-mail addresses or user directories), when coupled with domain names, may serve to either enhance or reduce any likelihood of confusion.

III. EXAMPLES TO EXAMINE

The following series of examples demonstrate trademark issues surrounding Internet addresses.

8. For example, the author can be reached at the e-mail address david@flowbee.interaccess.com. The top-level domain is .com, administered by the InterNIC. “Interaccess” is the second-level domain, administered by the Internet service provider InterAccess. “Flowbee” is the name of one of the service provider’s machines, and “david” is the “username” or “UserID” of an account holder on the service provider’s machine.


10. For instance, in one of the first popular articles to raise the issue of domain name piracy, Joshua Quittner registered the domain name “mcdonalds.com,” after warning the hamburger giant that the domain that matched its corporate name was available. Joshua Quittner, Billions Registered, WIRED, Oct. 1994, at 50. While there is nothing inherently confusing about Mr. Quittner having registered the domain name mcdonalds.com, the potential for confusion and abuse becomes more clear at the end of Quittner’s article where he ponders what to do with the name he has registered. One possibility he comes up with is seeing if McDonald’s competitor Burger King would like to buy the domain name. He finally ends the article by soliciting suggestions as to the fate of the domain name by having readers e-mail suggestions to ronald@mcdonald.com. Id. at 56. “Ronald McDonald” is, of course, McDonald’s spokesclown.
A. TRADEMARKS AS SECOND-LEVEL DOMAINS: INTERMATIC.COM & PANAVISION.COM

The first examples are a result of Dennis Toeppen. Dennis Toeppen, President of Net66, an Illinois Internet Service Provider, has been called a number of things, one of which is a "domain name squatter."

Domain names have value. Organizations wishing a location on the Internet need to locate themselves at some address. Most organizations, especially commercial entities want to locate themselves on the Internet at an address where their customers can find them, and at addresses that can be remembered easily. Therefore, for an organization, the ideal case would be to have an Internet address at a second-level domain that matches its business name or the name of its products. Thus, Internet users who wish to find the company may be able to guess at the company's location without knowing for sure where the company is located. For instance, if you want to find the web page for Apple Computer, you could guess that it might be located at http://www.apple.com/ (and you would be right). Because domain names are unique, only one organization can get any name in a particular top level domain. You might guess, for instance, that Apple Records might be located at http://www.apple.com (and you would be wrong because Apple Computer registered the address first). Although a variant of a particular name may be available, registering such a variant makes an organization less easy to find on the Internet. For instance, Apple Records could register apple-records.com or some such variant, but such a name would be less intuitive for people to guess.

Because some particular domain names are likely to have more value, people such as Mr. Toeppen have registered names that they thought other companies may want and be willing to pay to get.\textsuperscript{11} Two of the names Toeppen has speculated in, which have resulted in lawsuits, are panavision.com\textsuperscript{12} and intermatic.com\textsuperscript{13}. Attempts to "ransom," these names, as we shall see, have been Mr. Toeppen's undoing.

\textsuperscript{11} Network Solutions, Inc. ("NSI") which maintains the registry for some of the most popular top-level domains, including the .com domain (intended primarily to designate commercial entities) has put into place a succession of policies designed to address conflicts over domain name ownership. The policies have worked to allow trademark holders to "get back" "their" domains from squatters who have reserved the matching domain name. However, NSI's policies and their merits are only one option to resolve domain name conflicts, and are beyond the scope of this article.


\textsuperscript{13} Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227 (N.D. Ill. 1996) [hereinafter, Intermatic].
B. SECOND-LEVEL DOMAINS THAT ARE SIMILAR TO TRADEMARKS:

Another example of a trademark controversy is the Zero Micro incident. Zero Micro is an Austin, Texas based software business that registered the domain name microsoft.com— that is spelled: M-I-C-R-O-S-[zero]-F-T. At the web address http://www.microsoft.com, the company put up a page making fun of the "real" Microsoft, the Redmond, Washington software giant, and its president, Bill Gates. Zero Micro's Internet address, microsoft.com looks similar to (or exactly like) Microsoft's microsoft.com address, however there is no way to communicate with Zero Micro without knowing that the addresses are in fact different. After complaints were filed with the InterNIC, the domain name was placed on "hold" effectively taking it off of the Internet.14 Later, even the registration was removed from the InterNIC database.15

C. TRADEMARKS AS THIRD-LEVEL DOMAINS/MACHINE NAMES:

Large organizations will often have many machines connected to the Internet, all addressed under their second-level domain name. Perhaps they will even have sub-networks organized under their domain name. In such cases, machines and sub-networks often employ logical naming schemes for administrative convenience and communication ease.16 An example of a naming scheme is the University of Iowa Student Computing Association, which names its machines after food processor speeds—whip.isca.uiowa.edu, chop.isca.uiowa.edu, grind.isca.uiowa.edu, etc. In some cases, this can also raise trademark concerns. For instance, a former associate of the author, a car aficionado, named his office machines after car companies—honda.purdue.edu, saturn.purdue.edu.17 Finding Universities with host names named after various types of trademarked entities is not uncommon.

D. TRADEMARKS AS USERIDs: WWW.NEXCHI.COM/SONY/ & SONY@NEXCHI.COM

In addition to appearing in the domain name, there are a number of other places where a trademark might appear in relation to Internet addressing. If a user has a trademarked name as a UserID, it will appear in an e-mail address, e.g., sony@nexchi.com, or as part of the address in a

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14. The Web page has been moved to http://microsoft.paranoia.com/.
15. See Id.
17. The names have been changed to protect the guilty.
IV. LIKELIHOOD OF CONFUSION

The following examines the relevant law concerning the issues discussed above on Internet addresses.

The Lanham Act protects registered marks and unregistered marks from uses that are likely to cause confusion. Unregistered marks are protected by section 43 (a). More specifically, any use in commerce of a word, name, symbol, etc. in connection with goods or services which presents the mark in a manner which is likely to mislead another as to the source or origin or sponsorship of the goods or services, is an infringer.

Marks are often classified in terms of their strength, or ability to uniquely identify goods and services. The stronger the mark, the more likely it is to be a protectable mark. The classes range from: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary, to (5) fanciful. Generic marks are not registerable as trademarks because they are necessary to refer to a class of goods, while terms “which are arbitrary, fanciful, or suggestive as applied to a given product or service are naturally understood by the consuming public as designations of origin.”

In one sense, a domain name is like a street address—it indicates the “location” of an entity on the Internet. One does not usually think of, say, a street address as being a source of goods or services, one usually thinks of the entity at an address as being the source. However, in another sense, a domain name does resemble a source-identifier because the domain name indicates with what entity information at that address originated. While a geographical address may be required to refer to a location, and thus may be “generic” and not likely to be registerable as a trademark owned by a business at that address, this assumes that the business takes its mark from a fixed address. With Internet addresses, the address is generally taken to match the business’ mark.

Once an entity has a domain name registered, there are a number of services which can be operated at that domain, as has already been men-

18. These addresses have been made-up for this article.
22. Id.
23. Walt-West Enter., Inc. v. Gannett Co., Inc., 695 F.2d 1050, 1057 (7th Cir. 1982) (discussing the likelihood of confusion between two radio station frequency designations).
tioned. Some common examples would include setting up a World Wide Web page from which to make information available, setting up a file transfer protocol archive to distribute files, send and receive e-mail from the domain. The domain name used for these services may have nothing to do with any goods or services being offered at the site, and, in fact, there may not be any goods or services that are publicly available from a site. For instance, a company could register a domain name only for the purpose of sending and receiving e-mail between remote company offices. It may have only a limited access bulletin board system set up at the domain that is not accessible without proper authorization. In such instances, only a fairly sophisticated Internet user may be able to find out anything about the domain and its ownership, which is unlikely to produce confusion, because the public is denied access to interaction that may cause confusion. Likewise when the domain name gets used publicly, the likelihood of confusion starts to rise.

To find a likelihood of confusion, courts look at a number of factors. A typical set of factors a court looks at include the following: (1) the degree of similarity between the marks in appearance and suggestion; (2) the similarity of products or services for which the name is used; (3) the area and manner of concurrent use; (4) the degree of care likely to be exercised by consumers; (5) the strength of the complainant's mark; (6) actual confusion; and (7) an intent on the part of the alleged infringer to palm-off his products as those of another. Other courts add additional factors, such as whether the senior mark holder is likely to "bridge the gap" and start marketing its services or goods in the markets in which the junior user uses the mark.

Obviously these factors must be applied on a case-by-case basis. However, the issue is not whether the marks themselves would be confused for each other, but rather whether the use of a similar mark will cause consumers to confuse the source of the goods or services as being that of the senior mark owner.

Because only one person can register any particular domain name though several people could possibly register similar domain names, the


27. Intermatic, 947 F. Supp. at 1235 (citing Nike, Inc. v. "Just Did It" Enter., 6 F.3d 1225, 1228-29 (7th Cir. 1993)). See also, Centaur Communications, Ltd. v. A/S/M Communications, Inc., 830 F.2d 1217, 1226 (2d Cir. 1987).
context of a domain name's use becomes particularly important. As one author describes it:

Considered in the abstract, there is no particular reason to suppose that cybernauts happening upon a domain designated 'McDonalds.com' or 'Kaplan.com' would associate those sites with a source of hamburgers or testing services in real space—the world is full of individuals named McDonald and Kaplan, any of whom might have registered such domain names with the InterNIC. This seems to weaken the presumption of distinctiveness for arbitrary marks transported to the new medium.

By contrast, a site designated with a fanciful name such as 'Exxon.com' seems inherently distinctive whether in real space or cyberspace. And a generic mark from real space may become arbitrary when used to designate a domain name such as 'muffin.com.'

Thus, "proximity" of the marks, i.e. the goods or services "labeled" with the mark, and how similar they are to each other is likely to be more important on the Internet than in the "real world."

In the case of a company using a second-level domain name that matches the name of another's mark, and who uses that domain to publicly peddle a product aimed at the same target audience, courts have not had difficulty in finding that the use of the domain name may create a likelihood of confusion and therefore may be enjoined.

If the domain name used is not identical to a mark, the likelihood of confusion based on the address alone decreases. While other factors may still lead to confusion, a difference in an Internet address may make a tremendous difference. For instance, using the wrong host name in an e-mail address will send your message to a different entity than the one you intended to mail. While Internet users have traditionally been fairly sophisticated and would likely be able to distinguish even small differences in an Internet address, with the increasing ease of use which, in part, has lead to the huge growth of the Internet and the increase in new users, this assumption as to sophistication may no longer be safe to


29. Id. at ¶ 63.

30. Juris has demonstrated a likelihood of success of proving that Plaintiff and Counterclaim Defendant, The Comp Examiner Agency, Inc., and Counterclaim Defendant Mr. Rene Thomas Fose (collectively "TCE") are infringing Juris' registered trademark through TCE's use of an identical mark "juris" as a second level domain name and Web site on the computer medium of the Internet and through other marketing channels to sell, distribute, advertise, and/or market its goods and services to Juris' target market of lawyers and law firms, because TCE's use of the "juris" mark is likely to cause confusion as to the source or sponsorship of those goods and services, 15 U.S.C. §§ 1114 and 1125. Comp Examiner Agent, Inc. v. Juris, Inc., No. 96-0213-WMB (CTX), 1996 WL 376600 (C.D. Cal. Apr. 26, 1996).
Use of a mark in Internet addresses beyond just the domain name may also lead to confusion, especially to a novice Internet user. For instance, the same UserID may exist on many different machines. Thus placing an on-line order by sending e-mail to “order@bookseller.com” is not the same as sending your mail to “order@bookcellar.com.” The same likelihood of confusion factors would have to be applied to other uses of a trademark beyond just their use in a second-level domain name.

Also noteworthy is infringement by “reverse confusion,” which is perhaps a more likely occurrence on the Internet than it is off-line. An infringement by reverse confusion occurs when a junior user of a mark saturates a market with a similar mark to the point where it overpowers the senior mark causing people to misattribute goods and services or affiliation of the senior user to the junior user. This would happen, for instance, when a large company with a tremendous advertising budget creates and markets a new product under a name used by an existing smaller company. Because the large company can promote the product vigorously, the new product may eclipse the older product to the point where consumers think that the senior mark holder must be related to the new user. The reason why such claims are more likely on the Internet is due to the medium's equalizing ability. A small entity that puts up a web page reaches the same international audience as a large conglomerate, and vice versa. For example, new ventures can have stunning web presences, e-mail auto-responders, mailing lists, a news group or bulletin board system devoted to product discussions and support. On the other hand, an established business may make very poor use of the available technology and get lost in a back corner of Cyberspace.

V. DILUTION STATUTES

Nearly half of the States have “dilution” or “anti-dilution” statutes in order to prevent impairing the value of a trademark, even if the use of the mark does not produce a likelihood of confusion. Competition or confusion are not requirements for a finding of dilution. Because many

32. See, e.g., Ameritech, Inc. v. Am. Info. Tech. Corp., 811 F.2d 960, 964 (6th Cir. 1987) (noting small industrial oil reclaiming company's use of Ameritech mark could be overwhelmed by multi-state telephone company adopting the same name and similar logo); Tsiolis v. Interscope Records, Inc., No. 96 C 6318, 1996 WL 657830 (N.D. Ill. Nov. 8, 1996) (stating that the “Aftermath” mark used by band is too weak to protect from any reverse confusion caused by celebrity musician adopting name for record label).
trademarks reach a national market, these state statutes have long been considered inadequate in the protection they offer. As a result, in January of 1996, subsection (c) was added to section 43 of the Lanham Act ("Act") in order to provide a national remedy for dilution of "famous" marks.\textsuperscript{35} The legislative history to the Act indicates that it was intended to apply to domain names, and specifically work to remedy the problem of one entity registering the domain name that matches another entities famous mark.\textsuperscript{36}

The Federal Dilution Act is similar to many of the state dilution statutes, and one court has said that it mirrors the "traditional New York dilution analysis" which allows for dilution by tarnishment or by blurring.\textsuperscript{37}

This Federal Dilution Act provides the following:

The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.\textsuperscript{38}

Of course, one of the first questions to ask is whether the mark is famous.\textsuperscript{39} The Federal Dilution Act lists eight factors, not intended to be all-inclusive, to use in determining if a mark is famous for purposes of the Act:

(A) the degree of inherent or acquired distinctiveness of the mark;
(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
(C) the duration and extent of advertising and publicity of the mark;
(D) the geographical extent of the trading area in which the mark is used;
(E) the channels of trade for the goods or services with which the mark is used;
(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;
(G) the nature and extent of use of the same or similar marks by third parties; and

\textsuperscript{36} Internmatic, 947 F. Supp. at 1238 (quoting Senator Patrick Leahy (D-Vt.).
\textsuperscript{39} Sunbeam Prod., Inc. v. West Bend Co., 1996 WL 511639 at *5 (S.D. Miss. May 3, 1996) (stating dilution statutes will only protect marks that are truly distinct, as indicated by the mark's strength). Sally Gee, Inc. v. Myra Hogan, Inc., 699 F.2d 621, 625 (2d Cir. 1983).
Importantly, the Act has a provision exempting “fair use” of the mark in comparative advertising, non-commercial uses of the mark, and “all forms of news reporting and news commentary.” Senator Moorhead, in the legislative history of the Act, specifically stated that this exemption was intended to address the legitimate first amendment concern espoused by the broadcasting industry and the media. The bill would not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of expression that are not a part of a commercial transaction.

Thus, the statute requires that the use of a mark, or domain name, be a commercial use. The statute also requires that the use of the mark be made “in commerce.”

The second element necessary to find dilution of a mark is a likelihood of actual dilution. Dilution may take one of two forms: tarnishment or blurring.

### A. TARNISHMENT

Dilution by tarnishment occurs when a famous mark is linked to poor quality or unwholesome products, or otherwise displayed in a derogatory manner. If the use of the mark does not result in negative associations for the senior trademark user, then there is no dilution by tarnishment. An example of tarnishment in the use of a domain name is the Hasbro case. In this case, the operator of an adult entertainment web site registered the domain name candyland.com as an Internet

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41. Id. at (c)(4).
45. Id.
46. Panavision, 945 F. Supp. at 1300.
location for its business. Hasbro, the maker of the Candyland children's board game, brought suit under the brand new Federal Dilution Act, and under the Washington state dilution statute. The court granted a preliminary injunction under both statutes claiming that the adult-oriented site was likely to dilute the value of Hasbro's mark.

B. BLURRING

Dilution by blurring involves a "whittling away" of the value and selling power of a mark by its unauthorized use. In other words, using a strong mark for unrelated purposes until it is no longer a strong mark or until it ceases to possess its power to attribute goods and services to their source. The Federal Dilution Act is intended to prevent only cases where actual blurring may occur. For instance, blurring occurs where one uses another's mark in the same specialized industry, or when both uses are used on products intended for the general public, but not necessarily where a use is in a specialized industry and the other use is in another unrelated specialized industry. Unlike traditional trademark infringement, it is not necessary that the goods or services compete, or that there is a likelihood of confusion between the competing uses of a mark. "Indeed, the very purpose of dilution statutes is to protect trademarks from damage caused by the use of the marks in non-competing endeavors."

To find blurring under the Act, one court has found five relevant factors: "1) similarity of the trademarks and trade dress; 2) similarity of the products; 3) sophistication of consumers; 4) renown of the senior mark and trade dress; and 5) renown of the junior mark and trade dress." While the first three factors are similar to likelihood of confusion test, what is important to remember is that any use which increases the possibility of a mark losing its distinctiveness may constitute dilution by blurring.

49. Id. Although the court did not call it dilution by tarnishment, this is precisely the sort of use that constitutes tarnishment. See, e.g., Clinique Lab., Inc. v. Dep Corporation, 1997 WL 583395, at *15. See also Summary of Testimony of the International Trademark Association on H.R. 1295 and 1270 available in 1995 WL 435750 (July 19, 1995).


52. Panavision, 945 F. Supp. at 1299.


54. Clinique Lab., Inc. v. Dep Corp., 1997 WL 583395 at *15 (citing Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994)).
VI. APPLYING THE LAW TO THE EXAMPLES

A. INTERMATIC & PANAVISION

As mentioned earlier, Dennis Toeppen's speculating in domain names has produced a number of court challenges. In the Intermatic case, Toeppen registered intermatic.com and used it in conjunction with the sale of some software. After being challenged by the plaintiff, he agreed to discontinue use of the name for his software, but he refused to turn over the domain name. Instead, he put up a web page at the domain containing a map of the Champaign-Urbana, Illinois area. As these events were occurring, the Federal Dilution Act went into effect.

In the Panavision case, Toeppen registered the name panavision.com, and used it to serve a web site containing aerial views of Pana, Illinois. At no time did Toeppen use the panavision.com domain to sell any goods or services. When Panavision called asking for the name, Toeppen offered to discontinue its use for $13,000. When Panavision refused, Toeppen also reserved the domain name panaflex.com (another Panavision trademark) and established a web site that merely contained the word "hello."

Toeppen claimed that he "registered a relatively small number of (now) controversial names, such as panavision.com and american-standard.com, because [he] felt it would be interesting to see how the world responded." Now he knows.

Applying the law to the two cases, was there traditional trademark infringement? The Panavision court held that because Toeppen's acts constituted dilution under the Act there was no need to address whether his actions amounted to state or federal trademark infringement. In the Intermatic case there was enough of a question as to the likelihood of confusion to survive a motion for summary judgment. The Intermatic court applied the Seventh Circuit's likelihood of confusion factors and came to the following conclusions. The Court held

56. Id.
57. Id. at 1232-33. Eventually this map was moved, and the only thing appearing at the www.intermatic.com address was a notice that the Champaign-Urbana map page had moved to a new address. Id.
58. Panavision, 945 F. Supp. at 1298.
59. Id.
60. Id.
61. Id.
63. Panavision, 945 F. Supp. at 1300.
64. Intermatic, 947 F. Supp. at 1236.
that the marks at issue were similar—Toeppen's use of intermatic.com and Intermatic's trademark both used the word "intermatic." This is a reasonable finding. In determining the likelihood of confusion, one must look at the mark as a whole. However this does not mean that some parts of the mark cannot be given more weight than others. For instance, if two uses of a term share generic elements, the generic elements may be entitled to less weight than the more unique elements when weighing whether or not there is a likelihood of confusion. Presumably this means that some parts of a domain name may be given more weight to show that confusion is more or less likely to occur. If the Intermatic company wanted to use its trademark as a domain name, it would presumably register the name in the commercial top-level domain, i.e., .com. With some web browsers, you can type in a partial Internet address as a destination, and the browser will make certain assumptions. If you type in the address "intermatic" it will assume you are trying to reach http://www.intermatic.com/. In this case the " .com" part of the "mark" is generic enough that if you leave it out, the browser will assume that you meant to include it in the address and will add it for you.

The Court found no similarity between Toeppen and Intermatic's products and services. At the relevant time, Toeppen had only a map of Urbana up on a web page, and was apparently not using the domain name to provide any other types of Internet services. Intermatic makes programmable timers and the like, and would presumably use the Internet to establish a web page to distribute information on it's products.

The next fact to consider is the area and manner of use. "This factor requires the Court to 'consider whether there is a relationship in use, promotion, distribution, or sales between the goods or services of the parties.' . . . Toeppen will not be selling any goods or services through the intermatic.com domain." The Court continued saying that it was technically possible for Intermatic to set up an Internet presence at another address, such as intermatic-inc.com from which it display its marks and distribute its product information. However, since Intermatic had not set up an Internet presence at another site, it could not prove "any rela-

66. See, e.g., In re National Data Corp., 753 F.2d 1056, 1058 (Fed. Cir. 1985).
67. Id. at 1058-59.
68. Such as, at least, Netscape Navigator version 2.0 and later.
69. Similarly, the "www" portion of the Internet address is assumed due to the fact that you are accessing a World Wide Web page, which often runs on a dedicated Web server within a domain (or at least on a "virtual host")—thus a hostname of "www" is a logical and frequently used choice.
70. Intermatic, 947 F. Supp. at 1235.
71. Id. (citations omitted).
72. Id. at 1232.
tionship in use, promotion, distribution, or sales between the goods or services of the parties."

The Court had no evidence with which to judge the degree of care likely to be exercised by consumers; however, the court inferred that viewers of the Urbana map will associate the web page with Intermatic. The court also found that there was no evidence of actual confusion over Toeppen's use of the Intermatic name.

The Court held that the Intermatic mark was a strong mark. It is a "coined" term, and it has never been used as a trade name or trademark by any other entity. For these same reasons, the Court held that the mark qualifies as a famous mark. Famous is used in the trademark sense, even if it does not mean common-household-name kind of fame.

As to Toeppen's intent, the Court rejected Intermatic's claim that Toeppen's registration of more than 200 domain names indicates willful intent to infringe. The Court stated that because this is a new law and a new application of the law, Toeppen should be free to "test the waters." Of course, while this argument may have worked the first time, at some time the waters will have been tested...

Turning to the Federal Dilution Act, as stated earlier, there must first be a "famous" mark, and the use of the mark must be a "commercial use in commerce." The statute defines the term "dilution" to mean the lessening of the capacity of the mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake or deception. In both the Panavision and Intermatic cases, the courts found the marks to be strong marks deserving to be protected as famous marks. Both involve federally-registered, distinct, coined terms, which have been extensively used and advertised nationwide for decades.

73. Id. at 1235.
74. Id. at 1235-36.
75. Intermatic, 947 F. Supp. at 1236.
76. Id. at 1236 (quoting Polaroid Corp. v. Polaroid, Inc., 319 F.2d 830, 831 (7th Cir. 1963)).
77. Id.
However, both courts found difficulty in applying traditional dilution theories to Toeppen's conduct. The court in the *Panavision* case (not demonstrating the same understanding of the relevant technology as the court in the *Intermatic* case) explained that:

As a result of the current state of Internet technology, Toeppen was able not merely:

to lessen the capacity of a famous mark to identify and distinguish goods or services" 15 U.S.C. § 1127, but to eliminate the capacity of the Panavision marks to identify and distinguish Panavision's goods and services on the Internet. The Court finds that Toeppen's conduct, which prevented Panavision from using its marks in a new and important business medium, has diluted Panavision's marks within the meaning of the statute.83

The *Intermatic* court also stated that Toeppen's registration pre-vented Intermatic from using its mark as its domain name,84 but the court at least acknowledged earlier in the *Intermatic* opinion that Intermatic could still possibly use its mark in its domain name.85 And, the *Intermatic* court illustrated that the *Panavision* court's comment, that, by having someone else register your mark as a domain name eliminates your capacity to identify and distinguish your goods and services on the Internet, is just preposterous—Intermatic (or Panavision) could set up a web page at any other available domain name.86

Just because a company can set up an Internet presence at a second-level domain name other than one that exactly matches its mark does not mean that it may not constitute dilution for another entity to establish an Internet presence at a domain name that matches the senior

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84. *Intermatic*, 947 F. Supp. at 1233-34.
85. *Id.* at 1232.
86. *Id.* at 1232-33. This is important to understand. A company can set up, for instance, a web site to advertise and promote its trademarked product. It can even solicit orders, and perhaps deliver certain types of goods or services over the Internet in general and web sites in particular. This is now commonplace. Once the company has its web site constructed, it must locate the web site somewhere on the Internet. While it may be preferable to locate a web site on a domain with a name that corresponds to the trademark, it is in no way necessary because the web site is still the same and serves the same function, only the address of the site is different if it is located at a different domain. With businesses pushing their products from on-line "malls" it is not necessarily uncommon to be able to label their goods and services with their marks, yet still advertise them from someone else's domain, such as the domain of an on-line mall. As discussed earlier, a "vanity" domain name may allow customers to guess where to find a company. Not all Internet users find information by guesswork. "Search engines," directory listings, and other web pages may provide "links" to the products and service's location on the Internet without a visible reference to the domain name at which the information can be found. Similarly, non on-line sources can provide consumers with the information necessary to find an entity's Internet presence at whatever domain contains the mark holder's site.
mark-holder's mark. Although Toeppen, during the relevant time period, did not sell any goods or services from either of the domains at issue, nor advertise from them,87 the plaintiffs could not use those domains. Both courts saw this block as dilution because it lessened the capacity of the marks to identify the source of goods and services on the Internet merely because the companies could not use their marks as domain names.88 Technically speaking, the courts were both wrong. As stated, dilution involves use of a mark by unauthorized parties so that when consumers see the uses of the mark they will be less likely to attribute the uses as being associated with the famous mark holder.89 Merely reserving a domain name, with nothing more, is not a use of the trademark in the statutory sense.90 Toeppen's merely registering a name does not make it any less likely that a consumer will think that a Panavision product came from Panavision, or an Intermatic Product came from Intermatic.91

To the courts' credit, in these cases, however, Toeppen did more than just reserve the names. He also used the domain names by, at a minimum, setting up web pages. This use of the domain name provides for a better dilution claim. Had Toeppen merely registered the domain names, the only evidence of use would be an entry in the InterNIC domain name database, and in routing computers that use the InterNIC data. Someone trying to find the Intermatic company by guessing that there might be a web page at http://www.intermatic.com/ would not find one at that location or anything. However, when Toeppen established a web page—even one as simple as a map of Pana or Urbana or the word “hello”—he provided “goods or services” which offered an opportunity to dilute the senior users' marks. As the court stated, “[d]ilution of Intermatic's mark is likely to occur because the domain name appears on the web page. . . . Attaching Intermatic's name to a myriad of possible

87. Id. at 1233.
88. Id. at 1240; Panavision, 945 F. Supp. at 1300 (defining “dilution” in 15 U.S.C. §1127 (1996)).
89. See supra Part V.
90. Cf. Marvel Comics, Ltd. v. Defiant, a Division of Enlightened Entertainment, Ltd., 837 F. Supp. 546, 548 (S.D.N.Y. 1993) (noting certain pre-registration use were adequate uses in commerce for trademark purposes); La Societe Anonyme des Parfumes Le Galon v. Jean Patou, Inc., 495 F.2d 1265, 1273 (2nd Cir. 1974) (noting “warehousing” of name by token use was not sufficient use in commerce to reserve rights in name); Societe De Developpements Et D’Innovations Des Marches Agicoles Et Alimentaires-Sodima-Union De Cooperatives Agricoles v. Int’l Yogurt Co., Inc., 662 F. Supp. 839, 852 (D. Or. 1987) (stating token use of a product for purpose of reserving name is not an adequate use for trademark purposes).
messages, even something as innocuous as a map of Urbana, Illinois, is something the Act does not permit. 92 Such uses will lessen the mark's distinctiveness, and eventually its advertising value. 93 This finding is not clearly erroneous. If this constitutes a use that is genuinely likely to cause blurring, then the "use" of the mark requirement of the Federal Dilution Act is met.

Unfortunately for the courts, the Act requires not just a use of the famous mark, but it requires a "commercial use in commerce" of the mark. 94

The Intermatic court refused to hold that just because a domain is registered in the .com domain that it necessarily means that the use of the domain constitutes a commercial use. 95 Both the Intermatic and Panavision courts found, however, that the statutory requirement was still met because of Toeppen's attempts to sell the domain names even though the web pages Toeppen established at the domain name were not commercial uses of the marks, and therefore were not "commercial use in commerce." 96

Registration of a trade as a domain name, without more, is not a commercial use of the trademark and therefore is not within the prohibitions of the Act. In the case before the Court, however, Toeppen has made commercial use of the Panavision marks. Toeppen's "business" is to register trademarks as domain names and then to sell the domain names to the trademarks' owners. Toeppen's business is evident from his conduct with regard to Panavision and his conduct in registering the domain names of many other companies. His "business" is premised on the desire of the companies to use their trademarks as domain names and the calculation that it will be cheaper to pay him than to sue him. 97

Merely registering a domain name, and even then offering it for sale, does not match the definition of a use in commerce as defined in the Lanham Act. 98 The Act defines a use in commerce as follows:

93. Id. at 1240-41 (citing Polaroid Corp. v. Polaroid, Inc., 319 F.2d 830, 836 (7th Cir. 1963)).
95. Intermatic, 947 F. Supp. at 1239.
97. Panavision, 945 F. Supp. at 1229-30. Seealso Intermatic, 947 F. Supp. at 1239-40 (stating "Toeppen's intention to arbitrage the 'intermatic.com' domain name constitutes a commercial use. . . Toeppen's desire to resell the domain name is sufficient to meet the 'commercial use' requirements of the Lanham Act"). Id.
98. Panavision, 945 F. Supp. at 1230. "In addition, the Dilution Act itself exempts certain uses and thereby protects parties who 'innocently' register a famous trademark as a domain name (e.g., a citizen of Pana, Illinois who registers 'panavision.com' in order to provide a community political forum would come under the exemption for non-commercial use)." Id.
The term “use in Commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in the mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—

(1) on goods when—

(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in more than one State . . . and the person rendering the services is engaged in commerce in connection with the services.99

Courts have held that merely registering a name in order to reserve a right to the name is not sufficient use in commerce. The mark must be applied to an identifiable product with an intent to distribute that product.100 Toeppen’s attempt to get money from the mark owners by selling them the like-named domains he had registered was not a public use of those names to identify the source of goods or services.101 If anything, the names were Toeppen’s goods, not the label he was using as a source identifier for his trademark-speculating services.

B. MICROSOFT

The next example of a trademark controversy also addresses trademark law applied to domain names. Zero Micro’s use of the domain name microsOft.com, i.e. micros[zero]ft.com, was clearly an attempt to parody the Microsoft Corporation. The domain name is a play on Microsoft’s domain name, and the contents of the web page located at the Zero Micro domain were largely aimed at criticizing Microsoft’s president.

101. Marvel Comics, Ltd. v. Defiant, a Division of Enlightened Entertainment, Ltd., 837 F. Supp. 546 (S.D.N.Y. 1993). “As for sufficient ‘use in commerce,’ the ‘talismanic test’ is whether or not the use was ‘sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of the adopter of the mark.” Id. at 548. See also, La Societe Anonyme des Parfumes Le Galon v. Jean Patou, Inc., 495 F.2d 1265 (2d Cir. 1974).

Trademark rights are not created by sporadic, casual, and nominal shipment of goods bearing a mark. There must be a trade in the goods sold under the mark or at least an active and public attempt to establish such a trade . . . Registerable rights cannot flow from these activities and the old adage ‘no trade—no trademark’ is applicable here.

Id. at 1273.
and the company's products. Unlike in the Toeppen cases, Zero Micro did not use a name that Microsoft wanted but could not get; rather, it used a name that Microsoft wishes no one had or could get. While the name may have been chosen because of its similarity to Microsoft's mark, the use to which it was put raises some interesting issues.

The First Amendment provides some protection to trademark parodists, but that protection is not absolute. For instance, some courts have said that the First Amendment does not necessarily convey the right to infringe on a trademark holder's rights, as long as there are adequate alternative means to communicate the speaker's views.\footnote{102} This "alternative means to communicate" test has been criticized as being too much like the "time place and manner" test of speech limitations for restricting speech on private property. Trademarks are not property like real estate. They are themselves a form of speech, and thus limiting a parodist's right to use a trademark regulates the content of the speech, which does not just restrict the channel in which the parodist communicates his or her views.\footnote{103}

Regardless, the tests for dilution and likelihood of confusion remain the same for a parody, such as the Zero Micro example. The two marks at issue are similar in appearance. The "zero" within Microsoft is part of the social commentary that the parody provides. Obviously there are also other variants on the Microsoft domain name and mark that might not pose quite such a close case of confusion in the mark's appearance, yet which could also be used to parody Microsoft's name and mark.\footnote{104}

As to intent of the junior user, the general rule is that if you consciously choose a mark that is already established in the marketplace, that choice supports a finding that you are intending to trade on the senior mark's name-value, thus producing a likelihood of confusion.\footnote{105} With a true parody, "the customer would not be confused, but amused."\footnote{106} Trademark protection does not equal a right not-to-be-made-fun-of.\footnote{107} "When businesses seek the national spotlight, part of the territory includes accepting a certain amount of ridicule."\footnote{108} On the other hand, claiming "parody" is not an affirmative defense to trademark


\footnote{103} \textit{See}, Novak, 836 F.3d at 405-06 (dissenting opinion of Judge Heanney and works cited therein).

\footnote{104} The author has seen, for example, the terms Microsloth and Micro$oft used with some regularity both of which would raise similar issues as those discussed here.

\footnote{105} Jordache Enter., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482 (10th Cir. 1987) (holding Lardashe jean-parody does not infringe on Jordache trademark).

\footnote{106} Nike, Inc. v. "Just Did It" Enter., 6 F.3d 1225, 1228 (7th Cir. 1993).

\footnote{107} \textit{Id}.

\footnote{108} \textit{Id.} at 1227 (stating "Mike" shirts do not infringe on "Nike" trademark).
infringement, it is just a factor to be weighed in the likelihood of confu-
sion analysis.\textsuperscript{109}

As to the similarity of the products and services to which the marks
are affixed, there is none. While both companies produce software, Zero
Micro does not use the micros0ft.com mark to label its products. Zero
Micro only uses the term as a web address. Originally, the only use of
the http://www.micros0ft.com/ address was the Zero Micro parody web
page. At the time this second-level domain name was in use, Zero Micro
had no product or service to label. Although Zero Micro does have a
product now, it is not distributed from the micros0ft.com domain.\textsuperscript{110}

The area of concurrent use of the mark has only slight overlap. Both
marks are used as Internet second-level domains. Zero Micro does not
put the micros0ft mark on its software. Microsoft, on the other hand,
displays its mark on its software products, which enjoy world-wide dis-
tribution.\textsuperscript{111} It also puts its name on everything from a television net-
work to advertising put on the sides of city buses. It is important to note
that the parody comes about mostly because of the content of the web
site at the micros0ft.com domain. While both companies have web sites,
anyone looking at either of the two is unlikely to confuse one for the
other.

If Zero Micro had been sending out e-mail from an address at the
micros0ft.com domain, depending on the content of the e-mail, the likeli-
hood of confusion might be much different. There might be an even
greater likelihood of confusion if the address was used on a file transfer
protocol archive which would likely be devoid of many of the clues that
would indicate the parodic use of the domain name. Both of these other
uses are relevant to at least the potential concurrent uses of the similar
marks.

The next factor, the strength of the complainant's mark, would not
be in doubt. Not only has the name Microsoft developed strong sec-
dary meaning in the computer context, but it is that strength that is the
object of commentary on the Zero Micro web site.

For the purposes of this analysis, there is no evidence of actual con-
fusion between the marks. Similarly, there is not much of a question
about Microsoft's "bridging the gap" in order to start providing parodies
of itself.

\textsuperscript{109} \textit{Id.} at 1228.

\textsuperscript{110} Although, as noted, Zero Micro now uses the micros0ft term as a host name within
a different second-level domain (http://micros0ft.paranoia.com). \textit{See discussion infra Part
VI.D. (analyzing the significance of this use).

\textsuperscript{111} Or world-wide domination with an intent to dominate the universe, as Zero Micro
illustrates in its parody.
Perhaps one of the most important factors in our analysis is the degree of care likely to be exercised by consumers. It is how the marks are used, and the circumstances surrounding their presentation, rather than a side-by-side comparison that determines the likelihood of confusion.\textsuperscript{112} Consumer behavior in the relevant market is an important factor.\textsuperscript{113} Relatedly, likelihood of confusion must be assessed by looking at the sophistication of the relevant purchasers.\textsuperscript{114}

People looking for the Microsoft web page are not likely to wind up at the Zero Micro web page. If consumers try to guess where Microsoft's web site is located, they would likely guess "http://www.microsoft.com/," and they would find the object of their search. In much the same analysis as that applied to telephone mnemonics, experienced Internet users will realize that even slight differences in the spelling of a domain name are likely to connect to a different domain.\textsuperscript{115} The only way someone trying to reach Microsoft's web site would accidentally happen across Zero Micro's web site is if he or she made a non-intuitive mistype. This is not the same case as a "zero misdial" involved with telephone mnemonics where customers mistakenly map an "o" to a zero on the telephone keypad. In one case, a court allowed a company to take advantage of a "zero misdial" by using the phone number 1-800-H[zero]LIDAY, in order to take advantage of people's confusion when trying to dial 1-800-HOLIDAY.\textsuperscript{116} The court held that because the defendant had never advertised its number by using the numbers that made it appear to be the plaintiff's, they did not create any confusion—they merely took advantage of the confusion that was inherent in the plaintiff's telephone number.\textsuperscript{117} This is not quite the same situation as the Zero Micro case because there is no inherent confusion of which to take advantage. The confusion in the telephone context occurs in the translation of letters on the keypad to the underlying numbers. While such confusion is possible in the domain name context, it would presumably be much more unusual. Another reason put forth by one commentator, arguing that the

\textsuperscript{112} Walt Disney Prod. v. Air Pirates, 581 F.2d 751, 759 (9th Cir. 1978), cert. denied 439 U.S. 1132, (holding that “counter-culture” displays of Disney characters were less likely to induce confusion when the cartoon parodies could only be found in counter-culture stores not likely to deal in Disney Production). \textit{See also} Merriam-Webster, Inc. v. Random House, Inc. 35 F.3d 65, 71-72 (2d Cir. 1994) (holding that publisher failed to show likelihood of confusion necessary to support trade dress infringement claim); Edison Bros. Stores, Inc. v. Cosmair, Inc., 651 F. Supp. 1547, 1555 (S.D.N.Y. 1987) (stating “Notorious” for shoes does not infringe on “Notorious” mark used for perfume).

\textsuperscript{113} Dorr-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376 (7th Cir. 1996).


\textsuperscript{116} Holiday Inns, Inc. v. 800 Reservations, Inc., 86 F.3d 619, 625 (6th Cir. 1996).

\textsuperscript{117} \textit{Id.}
domains are confusingly similar and likely to cause confusion, is that
because the “0” and “o” keys are adjacent to each other on a standard
keyboard they are more likely to produce an unintentional mistype.118

Regardless, should consumers mistakenly end up at the Zero Micro
site rather than the Microsoft site in their efforts to buy computer
software, they will not find it. Rather, they will find a web page criticiz-
ing Microsoft, which clearly indicates that it is not endorsed by
Microsoft. Therefore, Zero Micro’s use of the micros0ft.com domain is
unlikely to confuse consumers.

Once again, this analysis may be different for a nonweb-based use of
the micros0ft.com domain. For instance, it is possible that even sea-
soned Internet users would mistake e-mail from the Zero Micro domain
as being from the Microsoft domain unless there was something about
the content of the e-mail message to make the Internet user examine the
e-mail address more carefully.

The next issue is whether or not the domain name dilutes
Microsoft’s mark. The Federal Dilution Act specifically exempts uses of a
famous mark that are non-commercial,119 and even more specifically,
uses of the mark for “[a]ll forms of news reporting and commentary.”120
Discussing the legislative history of the Act, the Panavision court stated

This exclusion encompasses conduct such as parodies and consumer
product reviews. According to Sen. Orrin G. Hatch (R-Utah), the Chair-
man of the Senate Judiciary Committee, ‘[t]he bill will not prohibit or
threaten noncommercial expression, such as parody, satire, editorial
and other forms of expression that are not a part of a commercial
transaction.’121

In fact, some courts have stated that it is hard to find that a paro-
dist’s use of a mark constitutes blurring, because a successful parody re-
quires the continued association of the mark with the mark’s holder.122
Some courts have gone so far as to say that parody tends to increase
public identification of a parodied mark with its initial creator, and thus
does not cause a loss of distinctiveness.123 Even where there is some risk
that a parodist’s use of a mark may pose a dilution risk, the risk is often

118. Albert, supra note 9, at 277. Barger, supra note 9 at 644. As an aside, on a “non-
standard” keyboard, such as a Dvorak keyboard (which lays out the keys logically, unlike
the traditional “QWERTY” keyboard which arranges the keys in a design specifically in-
tended to result in slower typing) the “o” and the “0” are at opposite ends of the keyboard.
121. Panavision, 945 F. Supp. at 1229-30
1995) (holding that muppet tribal boar-warrior does not dilute mark of canned meat
product).
123. Jordache Enter., Inc., 828 F.2d at 1489 (holding that lower courts finding was not
clearly erroneous).
tolerated in the interests of maintaining broad opportunities for expression.  

Similarly, parody of a mark does not tarnish the mark if the public associates the two marks only for the purposes of the parody, and does not associate the two sources of the products.  

The confusion of the two sources produces tarnishment.

With this reasoning, any use of the micros0ft.com domain name, so long as it is used as a noncommercial parody of Microsoft, is not likely to dilute the mark under the Act. This is not to say that the domain name could not be used in a manner which would dilute Microsoft's trademark, but the particular use to which Zero Micro initially put the domain name is not an infringing case.

Perhaps the better example of a use of a mark that is likely to cause dilution (and perhaps likelihood of confusion as well) is with something like a “vanity” address being pitched to university alumni. A University, such as Purdue, is likely to have a domain such as purdue.edu. The top level domain shows that it is a United States university. The second-level domain shows that it is Purdue. If a company registers a domain such as purdue.com or purdue-university.com, and starts selling e-mail accounts to Purdue University alumni, there may be a much stronger case for a dilution claim.

C. HONDA.PURDUE.EDU

For the last two examples, rather than step through a complete analysis, some of the issues that distinguish these examples from the examples that have already been presented will be used.

When a mark is used as a hostname, rather than as a second level domain name, the chances of consumers being confused drops, and perhaps drops noticeably. “Unauthorized third party use does not necessarily diminish the strength of a mark. The significance of third party use is evaluated based on the entire name and symbol, the type of business in which it is used, and geographic location.” The proper inquiry, therefore, is whether another party’s use of the mark diminishes the power of

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124. Deere & Co. v. MTD Prod., Inc., 41 F.3d 39, 44 (2d Cir. 1994) (stating parodic use of mark in advertising was likely to cause dilution).
125. Jordache Enter., Inc., 828 F.2d at 1491.
126. Id.
128. Under the Federal Dilution Act this assumes that Purdue University has trademark rights in its name and that its mark constitutes a famous mark for purposes of the statute.
129. Breakers of Palm Beach, Inc. v. Int’l Beach Hotel Dev., Inc., 824 F. Supp. 1576, 1583 (S.D. Fla. 1993) (holding that hotel with similar names as that of another hotel may cause confusion).
the mark to identify the goods and services of the mark's owner.\footnote{130}

In the context of a mark used as a host name or third-level domain name, the decrease in likelihood of confusion is due to the pairing of the mark used as a hostname with a second-level domain which belongs to another organization. Some cases have held that when a mark is paired with another "house mark" which also identifies the source of the product, "the use of a strong house mark virtually precludes confusion between similar marks."\footnote{131} Adding any additional terms to a mark may work to dispel any confusion with a senior mark.\footnote{132}

Thus, in our example, although "honda" may be a trademark of the car company of the same name, it is clearly paired with the source-identifier belonging to Purdue (and even further listed under an educational top-level domain). On the other hand, as mentioned, likelihood of confusion protects against not only misattribution of source, but also against misattribution of sponsorship or endorsement.\footnote{133} In the case of a public University with a host named after a large multinational corporation, there is the possibility of Internet users believing that the host was named on behalf of the mark as a recognition of the companies charitable contributions, or as a result of corporate research being done on behalf of the corporation.

Ownership of a name is not the only thing that produces a possible trademark infringement, but also the use to which that name is put that produces any conflict. For the use of a name to produce a false or confusing designation of origin, the name must be used in a trademark sense as found in sections 32\footnote{134} and 43(a)\footnote{135} of the Lanham Act (as discussed earlier). If the mark is only used to identify a machine in a computer lab for network data-routing purposes, there is not likely to be a likelihood of confusion. On the other hand, if the machine is used to host a web page describing the University engineering department's new concept car, the "honda" hostname is more likely to cause confusion.

\footnote{130}{\textit{Id.}}
\footnote{131}{\textit{Victory Pipe Craftsmen, Inc. v. Fabrege, Inc.,} 582 F. Supp. 551, 557 (N.D. Ill. 1984) (holding that trademark is not likely to cause confusion when it is paired with the Fabrege trademark).}
\footnote{133}{\textit{Amoco Oil Co. v. Rainbow Snow,} 748 F.2d 556, 558 (10th Cir. 1984).}
\footnote{135}{15 U.S.C.A. § 1125(a) (West Supp. 1996).}
For the use of the mark as a third-level name to constitute dilution under the Act, once again, there must be a commercial use in commerce. There also must be actual dilution. If the selling power of the senior mark is not reduced by the use, then the use does not constitute dilution.

D. WWW.NEXCHI.COM/~SONY/

The last example addresses a mark used at a different spot in an Internet address, that of the user name.

The analysis here is not significantly different than that just made. In the case of the mark as a user name, whether there is confusion depends on how the account is used. If the account is not used, there will be nothing to confuse consumers. If the account is used, the manner of use will indicate whether confusion is likely to result. In the example of a UserID “sony” consumers are not likely, based on the address alone, to believe that, say, e-mail coming from sony@nexchi.com is coming from the electronics giant (unlike e-mail coming from user@sony.com which rightfully should be so attributed). Similarly, if someone sets up a web page at “http://www.nexchi.com/~sony/” consumers are not likely to accidentally happen across the web site. Even if they do, as is the case of e-mail, the Sony mark is clearly coupled with the name of another entity, which, as discussed earlier, is likely to reduce the likelihood of confusion.

It is worth noting, however, that this analysis may change for a company without its own second-level domain name. In this case, mail sent from say widgets@service-provider-1.com could be confused with the real company which uses the same user name at a different provider (widgets@service-provider-2.com).

As to whether use of a mark as a user name constitutes dilution, the analysis does not differ significantly from that mentioned in the last section concerning marks used as host names: there must be a use in commerce, and it must be a use that is likely to cause dilution. The actual use made of the account bearing the trademark as a UserID will determine whether there is dilution under the Act.

VIII. CONCLUSION

The types of conflicts arising over Internet addresses are not unique problems. For instance “vanity” license plates present an analogous situation. While for a license plate the commercial use in commerce requirement is missing, there are fees to acquire such a license plate, and under

an Intermatic-type analysis a court could (incorrectly) find a violation. In addition, Bell Research is also now allowing people to reserve “555” numbers, allowing for seven digit phone numbers with national coverage (such as 555-TAXI), just like numbers with an area code of “800” or “888” which are already common. These national phone numbers bear a resemblance to domain names, and similar conflicts may arise.

The controversies that have erupted over domain names have drawn attention to the problem, and the domain name and domain registration system is being examined and modified to hopefully lessen the potential conflicts. A proposal which will soon be implemented involves the creation of new generic top-level domains in order to allow for better classification of second-level domain name holders. However, by adding new top-level domains, while second-level domain name conflicts will be reduced, they are unlikely to be eliminated. Furthermore, claims may shift to conflicts over ownership of top-level domains, as illustrated by the fact that some organizations have already created new top level-domains and operate registries even without having received the IANA’s stamp of approval.

By mechanisms such as the law described in this article, coupled with contractual obligations imposed by the domain name registries, much of the conflict arising over domain names can be addressed. Infringing uses likely to cause confusion can clearly be stopped. Uses which dilute a famous mark can be stopped using the Federal Dilution Act, though there still must be a mechanism to address dilution of a famous mark where the dilution occurs in a domain used or registered outside the jurisdiction of the United States. To prevent domain name “squatting,” if contractual obligations with the domain registries require certain minimum use of the domain, without which the domain will be forfeited back to the registry, then attempts to arbitrage domain names should be reduced. If the domain is not used, the domain reverts back to the registry. If the domain name is used, as required by a registry contract, then the use runs the risk of running afoul of the trademark law, and thus become enjoined. At this point the domain name is not being used as required by the contract with the registry, thus reverting back to the registry’s control and away from the speculator.

138. See, e.g. Int’l Ad Hoc Committee Final report of the int’l ad hoc com: recommendations for administration and mangement of gTLDs(2.4.97) <http://www.iahc.org>.
139. See, e.g., David Loundy, Internet Name Game Gets New Set of Rules, CHI. DAILY L. BULL., Sept. 12, 1996, at 5 (discussing domain conflicts).