

Shouting from the Rooftop of the Web Internet Gripe Sites & Trademark Claims

I. Introduction

A company buys a security alarm system from a service provider named BurglarAway¹. The alarm appears to be defective, as it constantly sounds during regular business hours when it is not armed. BurglarAway representatives come to the company's offices on several occasions in order to fix the malfunctioning alarm, but they are unable to do so and after a month of troubleshooting they inform the company that the malfunctioning alarm is a result of interference from the company's DSL line, which shares the same phone line as the burglar alarm. BurglarAway instructs the company to either acquire a dedicated phone line for the alarm or work out another alternative through the phone company. The disappointed company writes to BurglarAway to request a refund, but BurglarAway refuses, stating that the 15-day money back guarantee period has lapsed. Company then purchases a domain name – burglarawaysucks.com on which it posts its account of its dispute with BurglarAway. Shortly thereafter, the company receives a C&D letter from BurglarAway's trademark counsel alleging that the company's use of the BURGLARAWAY mark in the burglarawaysucks.com domain name constitutes trademark infringement, dilution, false designation of origin and cybersquatting an, of course, demanding that the company take down the website and immediately transfer the domain name to BurglarAway. The company then turns to you for advice.

This article shall help you determine how to advise the company on this matter.²

"Gripe sites", also known as "sucks sites" (referred to herein as gripe sites), are websites whose purpose is to air grievances, usually regarding specific companies, products, or services. Oftentimes, gripe sites involve a domain name that consists of the target's trademark or service mark followed by the word "sucks", such as BurglarAwaysucks.com. However, gripe site domain names also may contain more specific critical commentary, such as ihateBurglarAway.com, BurglarAwayfraud.com, BurglarAwayripoff.com or they simply may consist of the target's marks, or slight variations thereof, without any commentary at all, such as BurglarAway.net or BurglarsAwayX.com. Typically, courts have held that gripe sites containing some indication of their nature in the domain name itself (such as, yourcompanysucks.com, yourcompanyfraud.com or ihateyourcompany.com) are permissible, provided that the site is used for criticism or commentary, rather than for commercial purposes.

¹ The BurglarAway trademark and scenario are fictional.

² Note, the constitutional law issues raised by gripe sites are addressed in Allen Lichtenstein's article, "Gripe Sites' and Defamation".

II. Gripe Sites and Specific Trademark Claims

Trademark owners have proceeded against gripe sites under four trademark-related causes of action: (a) infringement; (b) dilution; (c) false advertising and (d) cybersquatting. Several of the federal district courts and five of the eleven United States Courts of Appeals have addressed the issue of gripe sites and trademark claims.³ Additionally, both the World Intellectual Property Organization (“WIPO”) and the National Arbitration Forum (“NAF”) have addressed the issue of gripe sites and cybersquatting under the UDRP.

Although it generally is permissible to offer a website containing critical commentary under domain name that indicates the critical nature of the website (See Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161, 50 USPQ2d 1840 (C.D. Cal 1998)), such activity is not always permissible when the domain name does not clearly convey the complaining nature of the site. While the case law relating to gripe sites and trademark claims is not exactly harmonious, certain guidelines may be gleaned from the cases to help us advise our clients regarding this tricky issue.

A. Infringement

Trademark infringement is defined as: (a) use in commerce of a registered mark; (b) in connection with the sale, offering for sale, distribution or advertising of goods or services; (c) that is likely to cause confusion. 15 U.S.C. 1114(1)(a). Trademark infringement law prevents only unauthorized uses of a trademark in connection with a commercial transaction in which the trademark is being used to confuse potential customers. See Bosley Medical Institute, Inc. v. Kremer, 403 F.3d 672, 74 USPQ2d 1280 (9th Cir. 2005) (holding that defendant Kremer’s use of bosleymedical.com for a website that was critical of Bosley’s hair-restoration services was not made in connection with the sale of goods and services and therefore did not constitute infringement or dilution under the Lanham Act); citing Prestonettes, Inc. v. Coty, 264 U.S. 359, 368 (1924) (a trademark only gives right to prevent use of it to protect the owner’s goodwill against the sale of another’s product).

The reservation of a domain name alone, without any other activity, generally does not rise to the level of “use in commerce” necessary to invoke the provisions of the Lanham Act. See Panavision Int’l, L.P. v. Toepfen, 945 F.Supp. 1296 (C.D. Cal. 1196) aff’d 141 F.3d 1316 (9th Cir. 1998); compare TCPIP Holding Co., Inc. v. Haar Communications, Inc., 244 F.3d 88, 57 USPQ2d 1969 (2d Cir. 2001) (holding that

³ The appeals court cases are: Lamparello v. Falwell, 420 F3d 309, 76 USPQ2d 1024 (4th Cir. 2005) (reversing district court’s injunction of use of fallwell.com as criticism site); TMI Inc. v. Maxwell, 368 F3d 433, 70 USPQ2d 1630 (5th Cir. 2004) (reversing transfer of trendmakerhome.com criticism site); Taubman Co. v. Webfeats, 319 F3d 770, 65 USPQ2d 1834 (6th Cir. 2003) (reversing injunction precluding use of numerous “sucks” domain names that included Respondent’s marks); Lucas Nursery & Landscaping, Inc. v. Grosse, 359 F3d 806, 70 USPQ2d 1149 (6th Cir. 2004) (affirming district court’s refusal to transfer lucasnursery.com when used for criticism site); Coca-Cola Co. v. Purdy, 382 F3d 774, 72 USPQ 2d 1305 (8th Cir. 2004) (affirming district court’s granting of preliminary injunction enjoining use of respondent’s marks in domain names that were used to link to abortionismurder.com); Bosley Medical Institute, Inc. v. Kremer, 403 F3d 672, 74 USPQ 2d 1280 (9th Cir. 2005) (affirming refusal to transfer domain name used for criticism site based on infringement claims, but reversing and remanding on ACPA claims).

domain name use is use as a “mark”, which therefore is ineligible for the fair use defense). However, establishing a generally accessible home page on the Internet has been found to satisfy the Lanham Act's “use in commerce” requirement. See Planned Parenthood Federation of America, Inc. v. Bucci, 42 USPQ2d 1430, 1434 (SDNY 1997), aff'd 152 F3d 920 (2d Cir, 1998). Further, use in commerce may be found when a defendant's use of a domain name affects the plaintiff's ability to use its mark in interstate commerce. See Id.

If a gripe site contains the mark of its target plus a derogatory term such as “sucks” and the site is used in a non-commercial manner, then the Lanham Act will not reach it. See Taubman Co. v. Webfeats, 65 USPQ2d 1834 (6th Cir. 2003). However, the courts are split as to whether a gripe site whose domain name consists of the mark of the target and nothing more (e.g., yourcompany.com) constitutes infringement. The traditional likelihood of confusion test was set forth in the 1938 Restatement of Torts §731 and included nine factors to be considered, which became the basis for the factors now used by the various circuits. Each of the circuits has its own likelihood of confusion test⁴, most of which incorporate substantially the same elements:

1. The degree of resemblance between the conflicting designations;
2. The similarity of the marketing methods and channels of distribution;
3. The characteristics of the prospective purchasers and the degree of care they exercise;
4. The degree of distinctiveness of the senior user's mark;
5. Where the goods or services are not competitive, the likelihood that prospective buyers would expect the senior user to expand into the field of the junior user;
6. Where the goods or services are sold in different territories, the extent to which the senior user's designation is known in the junior user's territory;
7. The intent of the junior user; and
8. Evidence of actual confusion.

Restatement (Third) of Unfair Competition §§20-23 (1995).

The seminal circuit court case on whether a gripe site constitutes trademark infringement is Taubman Co. v. Webfeats, 65 USPQ2d 1834 (6th Cir. 2003). In

⁴ *First Circuit*: Boston Athletic Assoc. v. Sullivan, 867 F.2d 22, 9 USPQ2d 1690 (1st Cir. 1989); *Second Circuit*: Polaroid Corp. V. Polarad Electronics Corp., 287 F.2d 492, 128 USPQ 411 (2d Cir. 1961), cert. denied, 386 U.S. 820, 82 S. Ct. 36, 131 USPQ 499 (1961); *Third Circuit*: Interpace Corp. v. Lapp, Inc., 721 F.2d 460, (3rd Cir. 1983); *Fourth Circuit*: Pizzeria Uno Corp. v. Temple, 747 F.2d 1522 224 USPQ 185 (4th Cir. 1984); *Fifth Circuit*: RotoRooter Corp. v. O'Neal, 513 F.2d 44, 186 USPQ 73 (5th Cir. 1985); *Sixth Circuit*: Frisch's Restaurants v. Elby's Big Boy, 670 F. 2d 642, 214 USPQ 15 (6th Cir. 1982); *Seventh Circuit*: Helene Curtis Industries, Inc. v. Church & Dwight, 560 F.2d 1325, 195 USPQ 218, (7th Cir. 1977); *Eighth Circuit*: Squirt Co. V. Seven-Up Co., 628 F.2d 1086, 207 USPQ 897 (8th Cir. 1980); *Ninth Circuit*: AMF, Inc. V. Sleekcraft Boats, 599 F.2d 341, 204 USPQ 808 (9th Cir. 1979); *Tenth Circuit*: Team Tires Plus, Ltd. v. Tires Plus, Inc., 394 F.3d 831, 73 USPQ2d 1473 (10th Cir. 2005); *Eleventh Circuit*: Conagra, Inc. v. Singleton, Inc., 743 F.2d 1508, 224 USPQ 552 (11th Cir. 1984); *Federal Circuit*: In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (C.C.P.A. 1973).

Taubman, a web designer, Hank Mishkoff, d/b/a Webfeats, registered the domain name shopsatwillowbend.com upon learning of a shopping mall that was being built with that name near his home. Mishkoff's website, which he characterized as a "fan site", contained information about the mall, as well as a map of the mall and links to its stores. Mishkoff's site also included a prominent disclaimer stating that it was not the official mall website, as well as a link to both of the official mall websites: theshopsatwillowbend.com and shopwillowbend.com. Mishkoff's site also contained links to his own website for his graphic design business and his girlfriend's website for her t-shirt business, neither of which were located in the new mall.

The owner of the mall, Taubman Co., sent Mishkoff a C&D letter alleging infringement of its registered mark, THE SHOPS AT WILLOW BEND. Taubman subsequently filed suit seeking a preliminary injunction and transfer of the shopsatwillowbend.com domain name, which prompted Mishkoff to register five gripe site domain names: taubmansucks.com; shopsatwillowbenduscks.com; theshopsatwillowbendsucks.com; willowbendmallsucks.com; and willowbenducks.com, all of which point to the same site that contains a detailed account of Mishkoff's battle with Taubman and its counsel. The district court initially enjoined Mishkoff's use of shopsatwillowbend.com, and subsequently amended its injunction to include Mishkoff's aforementioned gripe site domain names. See Taubman Co. v. Webfeats, 65 USPQ2d 1834, 1836 (6th Cir. 2003).

On appeal, the Sixth Circuit dissolved both of the district court's injunctions. Regarding the gripe sites, the Sixth Circuit held that defendants' use of plaintiff's trademark in defendants' gripe sites created no possibility of confusion and no Lanham Act violation. See Id. Specifically, the Sixth Circuit stated, ". . . [defendant] Mishkoff's use of Taubman's mark in the domain name taubmansucks.com is purely an exhibition of Free Speech, and the Lanham Act is not invoked. Id. The Taubman court continued:

. . . the First Amendment protects critical commentary when there is no confusion as to source, even when it involves the criticism of a business. . . . In fact, Taubman concedes that Mishkoff is 'free to shout 'Taubman Sucks' from the rooftops' Essentially, this is what he has done in his domain name. The rooftops of our past have evolved into the internet domain names of our present. We find that a domain name is no different in scope than a billboard or pulpit, and Mishkoff has a First Amendment right to express his opinion about Taubman, and as long as his speech is not commercially misleading, the Lanham Act cannot be summoned to prevent it.

Id. Professor McCarthy appears to agree in principle with the Taubman court, stating:

[b]ased on the principle that trademark law cannot be used to suppress criticism of a company or product, it is not appropriate to use trademark law as a weapon against criticism of a company on the Internet, as with the use of the "yourcompanysucks" type of domain name for consumer websites devoted to criticizing the acts and policies of "Your Company." In such a case, the accused

domain name becomes a vehicle for the exercise of free speech protected by the First Amendment, which can trump trademark law.

J. Thomas McCarthy, “McCarthy on Trademarks and Unfair Competition”, Fourth Edition §31.148 (updated September 2007). The Ninth Circuit went a step further than the Taubman court, holding that a non-commercial use of a trademark as the domain name of a website – the subject of which is consumer commentary about the products and services represented by the mark – does not constitute trademark infringement under the Lanham Act. Bosley, 74 USPQ2d 1280 (9th Cir. 2005).

Disappointed with the hair replacement that he received from Bosley Medical, defendant Kremer registered the domain name bosleymedical.com, and used it for a website on which he publicized his grievance with Bosley Medical. Bosley Medical, which owns the marks BOSLEY and BOSLEY MEDICAL among others, sued Kremer for trademark infringement, dilution, unfair competition, libel and various state law claims. The district court entered summary judgment for Kremer on his federal trademark claims and Bosley appealed. The Ninth Circuit found even though Kremer’s site contained no commercial links, it did contain a link to a discussion group that contained advertising on its site; however, this was too attenuated to be render Kremer’s gripe site commercial. Id. at 1285.

Because the Ninth Circuit found Kremer to be Bosley’s critic rather than its competitor, and because his use of Bosley’s mark was not made in connection with the sale of goods or services (rather it was used with Kremer’s opinion thereof), the court held that Kremer’s actions were non-infringing. Id. at 1286. Specifically, the court stated that, “Bosley cannot use the Lanham Act either as a shield from Kremer’s criticism or as a sword to shut Kremer up.” Id.

The Fourth Circuit also examined this issue, taking a similar approach to that taken by the Ninth Circuit. In Lamparello v. Falwell, Lamparello registered the domain name fallwell.com after learning of Reverend Jerry Falwell’s opinions on homosexuality, which Lamparello found insulting. See Lamparello v. Falwell, 76 USPQ2d 1024 (4th Cir. 2005). Lamparello’s website explained his negative opinions of Reverend Falwell’s views and Lamparello’s analysis thereof. The homepage of Lamparello’s fallwell.com website contained both a disclaimer stating that it was not the site of Reverend Falwell, as well as a link to Reverend Falwell’s website at falwell.com.

Upon receiving cease and desist letters from Reverend Falwell, Lamparello filed a declaratory judgment action seeking a declaration from the court that he was not infringing Reverend Falwell’s trademarks. See Id. at 1026. Reverend Falwell counterclaimed alleging trademark infringement, false designation of origin, unfair competition and cybersquatting. Id. The parties filed cross motions for summary judgment and the district court enjoined Lamparello’s use of Falwell’s mark, requiring him to transfer the domain name to Falwell. Id. at 1025. Addressing the infringement claim, the court stated that the use of a competitor’s mark, which use does not cause confusion as to source, is permissible. Id. at 1028.

Ultimately, the Fourth Circuit ruled that defendant’s fallwell.com gripe site was not likely to cause confusion with Reverend Jerry Falwell’s FALWELL trademarks, even though Lamparello’s domain name, fallwell.com, was only one letter different from

Reverend Falwell's distinctive trademark and domain name. Id. Specifically, the court found that, ". . . use of a competitor's mark that does not cause confusion as to source is permissible. Id., accord Dorr-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376, 380, 39 USPQ2d 1990 (7th Cir. 1996). The court then reasoned that Lamparello's actions would subject him to liability for infringement and false designation of origin only if they would be likely to cause confusion as to the source of the website found at www.falwell.com. Id. Supporting its ruling, the court stated that "[n]o one would believe that Reverend Falwell sponsored a site criticizing himself, his positions and his interpretations of the bible. Id.

The Fourth Circuit also specifically addressed Falwell's initial interest confusion argument, stating:

[a]pplying the initial interest confusion theory to gripe sites like [defendant] Lamparello's would enable the mark holder to insulate himself from criticism – or at least to minimize access to it. We have already condemned such uses of the Lanham Act, stating that a markholder cannot 'shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct.

Id. at 1030; citing CPC Int'l, Inc. v. Skippy, Inc., 214 F.3d 456, 55 USPQ 1033 (4th Cir. 2000); accord L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 33, 1 USPQ2d 1753 (1st Cir. 1987).

Overall, a gripe site is more likely to cause infringement if the domain name is identical to the target's mark, without more. If the domain name includes a word or words that indicate that it is a gripe site, such as yourcompanysucks.com, then it most likely will not be infringing so long as there is no commercial activity occurring on the gripe on the site.

B. Dilution

Dilution is defined under the Federal Trademark Dilution Act (FTDA) as: (a) use in commerce of a (b) famous and (c) distinctive mark (d) that commenced after the mark became famous; (e) and that is likely to cause dilution by (i) blurring or (ii) tarnishment of the famous and distinctive mark. 15 U.S.C. 1125(c). Fair use is an enumerated exception to the dilution statute, which states:

(3) *Exclusions.* -- The following shall not be actionable as dilution by blurring or tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such a fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including in connection with –

* * *

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

15 U.S.C. 1125(c)(2)(B)(3). Only two federal appeals court cases have dealt with trademark dilution via gripe sites. See TMI Inc. v. Maxwell, 70 USPQ2d 1630 (5th Cir. 2004); Bosley Medical Institute Inc. v. Kremer, 74 USPQ2d 1280 (9th Cir. 2005).

In TMI v. Maxwell, Maxwell intended to purchase a home from TMI, which builds homes under the TRENDMAKER HOMES mark. Displeased with his experience with a TMI salesperson, Maxwell created a website by which to tell his story and registered the domain name trendmakerhome.com for his gripe site. During the year that Maxwell owned the trendmakerhome.com website registration his website told his story of his dispute with TMI & contained a prominent disclaimer indicating that it was not TMI's site. Upon expiration of the domain name registration, Maxwell did not renew it.

After the expiration of Maxwell's trendmakerhome.com domain name registration, TMI demanded that Maxwell take down the site and relinquish the domain name. However, Maxwell was unable to re-register the domain name because TMI already acquired it. Instead, Maxwell registered trendmakerhomeinfo.com, but never made any postings on it as his registration of that domain name caused TMI to sue him for trademark dilution and cybersquatting. TMI prevailed at the district court, which enjoined Maxwell from using any names, marks or domain names similar to ten of TMI's marks and ordering Maxwell to transfer the trendmakerhomeinfo.com domain name to TMI. TMI Inc. v. Maxwell, 70 USPQ2d 1630 (5th Cir. 2004); Maxwell timely appealed and the Fifth Circuit reversed the district court's ruling. See Id. The TMI court first found that the FTDA requires commercial use for liability. Id. at 1633. Finding that TMI proffered no evidence that defendant Maxwell's website had any commercial purpose, the Fifth Circuit overturned the district court's ruling to the contrary, which effectively disposed of TMI's dilution claim. See Id. 1634.

The Bosley court addressed the dilution claim in an identical manner as TMI, stating that Congress' enactment of the FTDA enabled "'the owner of a famous mark' to obtain 'an injunction against another person's *commercial use in commerce* of a trademark or trade name'" and then finding that no such use had been made. See Bosley, 74 USPQ2d at 1283 (emphasis in original). The Bosley court found that the meaning of the term "use in commerce" under the FTDA is analogous to the "in connection with the sale of goods or services" requirement of the infringement statute. See Id. citing Mattel, Inc. v. MCA Records, Inc., 296 F. 3d 894, 903, 63 USPQ 1715 (9th Cir. 2002). The Bosley court then affirmed the district court's finding that Kremer did not use the BOSLEY MEDICAL mark in interstate commerce, which effectively disposed of Bosley's infringement, false advertising and dilution claims.

Given the express fair use exception in the FTDA, it is unlikely that a gripe site will be held dilutive under this statute; rather, gripe sites are more likely to be actionable under the trademark infringement, false advertising and cybersquatting statutes or the Uniform Domain Name Dispute Resolution Policy.

C. False Advertising

False designations of origin is defined as: (a) use in commerce; (b) in connection with goods or services; (c) that is likely to cause confusion, mistake or to deceive as to the affiliation, connection, or association of one person/entity with another. 15 U.S.C. 1125(a)(1)(A). The courts that have addressed this cause of action in relation to gripe

sites have treated it identically to infringement claims, which were discussed in Section A herein above.

D. Cybersquatting

1. Anti-cybersquatting Consumer Protection Act (“ACPA”)

Under the ACPA, Cybersquatting is defined as: (a) registration or trafficking in a domain name; (b) that is a trademark; (c) which mark is distinctive or famous at the time of registration of the domain name; (d) which domain name is registered with a bad faith intent to profit. 15 U.S.C. 1125(d)(1)(A). In determining whether a person has a bad faith intent . . . a court may consider factors such as, but not limited to —

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

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

(VII) the person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct;

(VIII) the person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person’s domain name registration is or is not distinctive

and famous within the meaning of subsection (c)(1) of this section.

(ii) Bad faith intent described under subparagraph (A) shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.

15 U.S.C. 1125(d)(1)(B).

The majority of the Appeals court cases that have dealt with the issue of gripe sites have evaluated claims under the ACPA. Lucas Nursery and Landscaping, Inc. v. Grosse involved this singular claim. In Lucas, dissatisfied landscaping customer, Grosse, registered lucasnursery.com and posted her story thereon under the heading “My Lucas Landscaping Experience”. See Lucas Nursery and Landscaping, Inc. v. Grosse, 359 F.3d 806, 70 USPQ2d 1149 (6th Cir. 2004). Upon learning of Grosse’s website, Lucas’ counsel sent her a cease and desist letter demanding that she cease operation of the site. Grosse temporarily removed the site, but upon learning that there was no registered mark for Lucas Nursery, she concluded that the nursery could not prevent her from retaining the site and thus posted a new narrative thereupon describing her experience. Lucas then sued Grosse for cybersquatting under the ACPA.

Both Lucas and Grosse moved for summary judgment, which the district court granted solely in favor of Lucas. See Id. at 1151. The Sixth Circuit affirmed, holding that for liability to attach under the ACPA, the court must conclude that the defendant’s actions were in bad faith. Id. The court explained that the first four factors militate against a finding of bad faith by providing some reasonable basis for why a defendant may have registered the domain name of another mark holder. Id. at 1152-53. The court then stated that the first three factors weighed against Grosse, while the fourth factor favors her. Id. The court then stated that factors five through eight are indicative of the defendant’s bad faith, explaining that the Senate Judiciary Committee distilled the crucial elements of bad faith to mean an intend to trade on the goodwill of another’s mark. Id. accord S. Rep. No. 106-140, at 9. The court found that the harm the ACPA was designed to eradicate – cybersquatter’s registering several hundred domain names in order to sell them back to their owners – simply is not present in Grosse’s case. Id.

Rather, the court found that Grosse registered a single domain name, lucasnursery.com, for the sole purpose of relaying her story to the public. Id. at 1150. The court found no evidence that Grosse’s intention was to trade on the goodwill of Lucas Nursery. Id. at 1152. Rather, it found her actions intended to inform fellow consumers about the practices of a landscaping company she believed performed inferior work. Id. at 1153. Accordingly, the Sixth Circuit upheld the district court’s grant of summary judgment to Grosse, allowing her to maintain the lucasnursery.com domain name.

The Lamparello court also addressed the issue of cybersquatting under the ACPA, citing Lucas favorably. See Lamparello v. Falwell, 79 USPQ2d at 1031. The Lamparello court found that Falwell could not demonstrate that Lamparello had a bad faith intent to profit from using the fallwell.com domain name, which he clearly employed to criticize Reverend Falwell’s views, rather than engaging in the type of conduct described in the statutory factors as typifying bad faith intent necessary to a successful

cybersquatting claim. Id. at 1032. Specifically, the court found that Lamparello did not register multiple domain names, nor offer to transfer them for valuable consideration, nor did he create a likelihood of confusion; rather, he created a gripe site. Id. at 1033. Accordingly, the Sixth Circuit reversed the judgment of the district court and remanded the case for entry of judgment in favor of Lamparello. Id. at 1033-34.

The TMI case also addressed the cybersquatting issue under the ACPA, ultimately overturning the district court's judgment in favor of Maxwell. See TMI, Inc. v. Maxwell, 70 USPQ 2d at 1636. The TMI court stated that much of the district court's analysis of bad faith focused on Maxwell's behavior during settlement negotiations and particularly his backing out of the settlement. Id. at 1635. However, the Fifth Circuit, analyzing Maxwell's behavior under the factors listed in the statute, was convinced that TMI failed to establish that Maxwell had a bad faith intent to profit from TMI's mark, finding the district court's ruling to the contrary clearly erroneous. Id. at 1636.

Specifically, the Fifth Circuit found that Maxwell made a bona fide noncommercial use of the mark in his site and that TMI did not show that Maxwell intended to divert customers from its own site. Id. Maxwell also did not offer to sell the trendmakerhome.com or trendmakerhome.info domain names and certainly never had a pattern of registering domain names for the purpose of selling them to their rightful owners. Id. Thus, the Fifth Circuit ruled that Maxwell's conduct was not the kind of harm that the ACPA was intended to prevent and it therefore reversed the ruling of the district court and remanded the case for entry of judgment in favor of Maxwell. Id.

In Bosley Medical Institute, Inc. v. Kremer, the Ninth Circuit did not address the ACPA claim apart from finding that such claim does not require a "commercial use" requirement. See Bosley, 74 USPQ2d at 1287. Finding it improper that the district court dismissed Bosley's ACPA claim for the same reason it dismissed its infringement and dilution claims, namely that Bosley failed to show that Kremer made commercial use of Bosley's mark, the Ninth Circuit held that the district court erred in granting summary judgment for Kremer on the ACPA claim and remanded the case to the district court for further proceedings on the ACPA claim. Id.

2. Uniform Domain Name Dispute Resolution Policy ("UDRP")

Cybersquatting also is actionable under the Internet Corporation for Assigned Names and Numbers' ("ICANN") Uniform Domain Name Dispute Resolution Policy ("UDRP"). The UDRP was designed by ICANN to facilitate the expedited resolution of cybersquatting disputes, particularly domain name hijacking. ICANN approved the UDRP rules on October 24, 1999, and it is binding on all domain name registrars.

UDRP Complaints may be submitted to any one of the three approved dispute-resolution service providers: the World Intellectual Property Organization ("WIPO"); the National Arbitration Forum ("NAF"); and the Asian Domain Name Dispute Resolution Centre ("ADNDRC"). UDRP Proceedings are non-precedential, non-binding and appealable. Since UDRP proceedings are non-precedential, they can be fairly inconsistent in their outcomes. None the less, this article will examine the two UDRP rulings reported in USPQ, as well as a third UDRP ruling that undertook an extensive examination of the second element of cybersquatting – whether the defendant can have legitimate interest in the domain name that consists solely of the complainant's

trademark and a TLD if the website offered thereunder is solely used for bona fide non-commercial purposes, e.g., a gripe site.

A cybersquatting complaint in a UDRP Proceeding has similar elements to an action under the ACPA with one notable addition – the UDRP requires that the domain name be both registered *and used* with bad faith intent, whereas the ACPA requires only registration with bad faith intent. See Uniform Dispute Resolution Policy (the “Policy”) §4(c)(iii); see also J. Thomas McCarthy, §24.74.75. Specifically, the elements of cybersquatting under the UDRP: (a) registration of a domain name that is identical or confusingly similar to a trademark or service mark in which the complainant has rights; (b) in which [trademark/service mark] the domain name registrant has no legitimate interests or rights; and (c) which domain name was registered and used in bad faith. See Paragraph 4(a) of the Policy. Section 4(b) of the Policy sets forth four circumstances, any one or more of which evidence bad faith use and registration under the Policy:

- (i) circumstances indicating that that the registrant registered or 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 its documented out-of-pocket costs directly related to the domain name; or
- (ii) the registrant 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 you have engaged in a pattern of such conduct; or
- (iii) the registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) the registrant used the domain name intentionally to attract, for commercial gain, internet users to its web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of its web site or location or of a product or service on its web site or location.

See Paragraph 4(b) of the Policy.

In Nat’l Collegiate Athletic Assoc. v. Brown, Brian Kaldenberg, a student at Iowa State University, which is an NCAA school, registered the domain name ncaafootball2005.com and placed it for sale on the internet, with an asking price of \$10,000. Mr. Kaldenberg does business as Kaldenberg Domain Brokerage, which is in the business of registering domain names and selling them for a profit. Subsequent to receiving a cease and desist letter from NCAA’s representatives, demanding transfer of the domain name to the NCAA, Mr. Kaldenberg first linked the site to his personal webpage, briankaldenberg.com and then transferred the domain name to Dusty Brown,

who is Mr. Kaldenberg's acquaintance and schoolmate at Iowa State University. Some time after he acquired the ncaafootball2005.com domain name from Mr. Kaldenberg, Mr. Brown posted a 3 sentence gripe site on the ncaafootball2005.com website. Upon discovering the gripe site at ncaafootball2005.com, the NCAA also learned that Respondent Brown owns the domain name ncaafootball2006.com, which was pointed at the same gripe site as his ncaafootball2005.com site.

The WIPO Panel found that Respondent Brown's domain names were likely to result in confusion with Complainant NCAA's marks. See Nat'l Collegiate Athletic Assoc. v. Brown, 72 USPQ2d 1319, 1326 (WIPO August 30, 2004). The Panel then found that Respondent Brown had no legitimate interest in the ncaafootball2005.com and ncaafootball2006.com domain names, as the Panel imputed the actions of his predecessor in interest, his acquaintance Mr. Kaldenberg, to Mr. Brown based on evidence that the pair were friends acting in collusion with one another. See Id. at 1328. Specifically, the Panel stated, "if UDRP Panels could not impute conduct where appropriate between transacting registrants . . . then any prior registrant could very easily and successfully shield its names from transfer, and by doing so thwart the purpose of the Policy. Id. In addressing the bad faith issue, the Panel found that while domain names consisting merely of the target's trademark and a TLD can constitute a legitimate interest when used for U.S.-based criticism sites, this is so only when there is no indicia of bad faith. Id. at 1331. Finding that Respondent Brown acted in bad faith, the Panel ordered him to transfer the ncaafootball2005.com and ncaafootball2006.com domain names to the Complainant, NCAA. Id. at 1332.

The Panel in FMR Corp. v. Native American Warrior Society was faced with determining whether the Respondent's use and registration of five domain names: fidelityretirements.com, fidelitybrokerageservices.com, fidelityinvestmentsloss.com, fidelitybrokerageinvestmentsfarud.com and fidelityinvestmenttheft.com constituted cybersquatting under the UDRP. FMR Corp. v. Native American Warrior Society, 74 USPQ2d 1116 (WIPO January 20, 2005). The Respondent, Mr. Lamar Sneed, and his wife were customers of Complainant FMR's brokerage services whose accounts declined significantly in value, in response to which the Sneeds filed an arbitration proceeding with the National Assoc. of Securities Dealers, which denied all relief sought by the Sneeds. See Id. at 1118.

Subsequent to the arbitration provision, Mr. Sneed registered the aforementioned domain names, and pointed each domain name to a website containing two items, the first item containing a "Public Notice" of the Sneeds' experience as dissatisfied customers of Complainant FMR and the second item containing information about an August 2, 2004 press release issued by the SEC announcing a settlement with Complainant following an investigation into the Complainant FMR's alteration and destruction of documents. Id. The site also contained a "pop-up" advertisement for satellite television services, offering customers a free satellite dish. Id. at 1119. According to the pop-up advertiser's site, that site paid a \$50.00 commission to website owners for each person who clicked through to order a free satellite dish. Id. Although there was no evidence that Mr. Sneed received any compensation from the satellite dish company, the Panel found it reasonable to infer that he derived some income from the pop-up advertisement. Id.

The Panel first found that Respondent FMR had protected rights in its FIDELITY and FIDELITY INVESTMENTS service marks and that three of Respondent's domain

names are identical or confusingly similar thereto, specifically: fidelityretirements.com, fidelitybrokerageservices.com, and fidelityinvestmentsloss.com. Id. at 1122. However, the Panel found that Complainant failed to prove that the remaining two domain names, namely, fidelitybrokerageinvestmentsfarud.com and fidelityinvestmenttheft.com were identical or confusingly similar to its marks. Id. In its discussion, the Panel found it clear that fidelityretirements.com, fidelitybrokerageservices.com were identical or confusingly similar to FMR's marks stating that many consumers would assume that typing either of these domain names would take them to a site owned by Complainant FMR. Id. at 1122-23. The Panel continued that fidelityinvestmentsloss.com was a closer call, as the term "loss" is not inherently derogatory when referring to securities; rather, it's a risk that every investor faces. Id. at 1123.

The Panel also found that, under the weight of U.S. authority and prior Policy decisions, adding a pejorative term to a mark dispels the likelihood of confusion. Id. Specifically, the Panel stated, "[p]ure gripe sites will generally satisfy the conditions of paragraph 4(c)(iii) of the Policy, which provides that a registrant has a legitimate business interest in respect of a domain name if he makes 'a legitimate noncommercial fair use of the domain name, without intent for commercial gain to misleadingly divert customers or to tarnish the mark at issue.'" Id. at 1125. While the Panel concluded that Respondent Sneed's installation of the pop-up advertisements for satellite dishes on his website evidenced bad faith use and registration of the domain names, reasoning that Respondent placed the pop-ups on his site in hopes of generating income. Id. at 1127. None the less, apparently because the Panel found that Respondent Sneed's fidelitybrokerageinvestmentsfarud.com and fidelityinvestmenttheft.com domain names were dissimilar to the Complainant's marks, it declined to order Respondent to transfer those domain names, requiring only that he transfer fidelityretirements.com, fidelitybrokerageservices.com, and fidelityinvestmentsloss.com to the Complainant.

Another UDRP case is important to note for the mere breadth of its review of the gripe site domain name issue. In Howard Jarvis Taxpayers Assoc. v. Paul McCauley, the Respondent, Mr. McCauley, registered htja.com, which domain name consisted solely of the Complainant Howard Jarvis Taxpayers Association's ("HJTA") trademark, and the TLD ".com" (the Complainant's website was hjta.org). See Howard Jarvis Taxpayers Assoc. v. Paul McCauley, (WIPO April 22, 2004). The UDRP Panelist first held that McCauley's domain name was identical or confusingly similar to the Complainant's mark. Id. The Panelist then noted that the case raised a fundamental and somewhat unsettled question of law under the [UDRP] Policy: Can a respondent have a legitimate interest in a domain name that consists solely of the complainant's trademark plus a top-level domain ("trademark.TLD") if the website is used solely for bona fide non-commercial criticism? Id.

Upon his initial review of the UDRP cases involving trademark.TLD criticism sites, the HJTA Panelist noted the split among Panels on this question. Id. One issue that the Panelist found to be important was the local laws of the countries of the domain name registrants, finding that the U.S.' robust free speech laws derived from the First Amendment to the U.S. Constitution, tend to tolerate more criticism than the laws of other countries. Id. The HJTA Panelist noted that many of the cases in which domain names were transferred despite being used for legitimate criticism were those involving non-U.S. parties or panelists. The HJTA Panelist also noted that cases involving U.S. parties and panelists often ruled that the First Amendment does protect such trademark.TLD domain names when used for legitimate criticism sites. Id. The HJTA

Panelist also noted that this view prevailed in U.S. courts, including the Fifth and Sixth Circuits (see TMI Inc. v. Maxwell, 70 USPQ2d 1630 (5th Cir. 2004); and Lucas Nursery & Landscaping, Inc. v. Grosse, 359 F3d 806, 70 USPQ2d 1149 (6th Cir. 2004)).

The HJTA Panelist held that even though a split exists among the U.S. courts, the weight of authority suggests a consensus that trademark.TLD domain names, when used for U.S.-based criticism sites can constitute a legitimate business interest, especially if there are no other indicia of bad faith. Id. Reviewing the HJTA case, the Panelist found that Complainant HJTA failed to show Respondent acted with bad faith in its use or registration of hjta.com, which it used to criticize the Complainant's management. Id. The Panelist specifically addressed Complainant HJTA's allegation that Respondent's site tarnished its trademark by stating that, "respondent's site does not appear to be classic 'tarnishment', in the sense of associating the mark with unwholesome concepts such as drugs, violence or sexual activity". Id. accord American Express Co. v. Vibra Approved Labs Corp., 10 USPQ2d 2006 (S.D.N.Y. 1989) (DON'T LEAVE HOME WITHOUT IT MARK tarnished by condoms offered under NEVER LEAVE HOME WITHOUT IT mark).

The HJTA Panelist found this to be the case even if the gripes contained on the site were untrue, reasoning that an action for defamation, not dilution or cybersquatting, would remedy such activity. Id. The Panelist explained that the UDRP Policy was designed to remedy abusive cybersquatting, but under U.S. law it cannot extend to insulating trademark owners from contrary or critical views when such views are legitimately expressed without an intention for commercial gain, even if the views are unfair, overstated or flat-out lies and posted at trademark.TLD websites. Id. Further, the Panelist stated that use of the UDRP Policy to provide such insulation may undermine freedom of discourse on the internet and undercut the free and orderly exchange of ideas that the First Amendment seeks to promote. Id. Accordingly, the Panelist declined to transfer the hjta.com website to the Complainant HTJA.

Conclusion

Use of another's trademark as part of one's domain name is permissible under both the Lanham Act and the UDRP, so long as it is clear from a domain name that the website being offered there under is a gripe site – one containing criticism or commentary about the trademarked product or service – and no commercial use is being made of the website. The courts are split as to whether to allow a gripe site domain name consisting merely of its target's trademark and nothing more. While the majority, including the Ninth Circuit, appears to allow such use, provided that no commercial use is being made of the domain name, until the Supreme Court settles the circuit split, trademark counsel will need to closely examine the law of the jurisdiction in which the dispute is located in order to adequately advise their clients.

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This article is an expansion of *Gripe Site Intellectual Property Claims* by Bryce Earl appearing in this month's Communiqué, the monthly publication of the Clark County Bar Association.