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TRADEMARKS RIDE INTO THE WILD WEST OF THE INTERNET: A LANDMARK RULING OF CYBER INFRINGEMENT IN *THE COMP EXAMINER AGENCY, INC. V. JURIS, INC.*

I. INTRODUCTION

The Internet, which began as an information superhighway, is the latest commercial frontier. Thus, many companies have rushed to take advantage of this new market by submitting their trademark names to Network Systems Institute (NSI) as a domain name for their web page.¹ However, some of these companies have been unpleasantly surprised when they find that another has already registered their name.

NSI's general policy has always been first-come, first-served, and, unlike trademarks, only one party may use a particular domain name.² Therefore, the trademark owner who finds its name taken has typically been out of luck or forced to use a slight variation of its mark.³ In light of this uncomfortable situation, an increasing number of lawsuits have been filed both against these domain

¹ NSI, a private company, was awarded a contract from the National Science Foundation (NSF) "to organize, manage, and administer a system of Internet addressing." Richard Raysman and Peter Brown, *Domain Names: Protecting Trademarks on the Internet*, N.Y.L.J., June 11, 1996, at 3. NSI has always registered domain names on a first-come, first-served basis. Domain names were created as a preferred manner of addressing the Internet sites. Such names are easier to recall than the string of numbers that the computer uses as the actual "IP" address. Domain names are generally composed of at least two levels moving from the most specific on the left to the more general on the right. For example, "juris.com" has a second level, "juris", and a first level, ".com", which simply represents the type of service (i.e. commercial). Persons wanting to register a domain name need only complete an Internic registration form, which may be done by E-mail. *Id.* As of last year, users must also pay an initial fee of \$100 for the first two years and a \$50/year fee for maintaining that domain name.

² The Lanham Act allows more than one trademark owner to use an identical or similar trademark name so long as each mark pertains to different products or entities that will not confuse the consumer. Lanham Act, 15 U.S.C. § 1052(d) (1996). For example, CADILLAC is a trademark for dog food and for automobiles.

³ For example, Juris, Inc., who owns the trademark "JURIS," registered "jurisinc.com" after finding "juris.com" already taken. See *Logical Choices? Part I—Someone Else's Trademark*, (Last Visited March 1997) <<http://www.law.georgetown.edu/lc/internic/domain1.html>> (providing a summary of all major domain name disputes).

holders and NSI involving claims of both trademark infringement and dilution. Across cyberspace, in local newspapers and legal journals, hundreds of articles appear discussing and often supporting the application of trademark law to domain names.

However, opponents of this movement reject such a proposal as many Internet users seek to maintain the liberal, open environment under which this vast information system evolved. Since its beginnings, the Web has been an interface between people and entities across the world and has been easily and generally cheaply available. Further, the Internet is a place where "anything goes." You can find your favorite celebrity's chicken marsala recipe, order clothes from a popular designer, or look for love in one of the many chat rooms. In keeping with this openness of thought, many Internet users believe that the domain name is nothing more than an address and as such should be outside the restraining binds of trademark law.⁴ Nevertheless, a recent decision in a U.S. District Court in California marks the further movement of trademark law into the wild Internet frontier as the court found cyber-infringement for the first time regarding a domain name.⁵

II. FACTUAL BACKGROUND

In 1993, Mr. Ren Folse, a lawyer specializing in workers' compensation law, registered the domain name "juris.com" with NSI. He then assigned the name to The Comp Examiner Agency, d.b.a. 25th Century Internet Publishers [hereinafter TCE]. TCE sells software for Internet access to different professional groups, including the legal community.⁶ However, Juris, Inc. [hereinafter Juris], a Tennessee-based company that makes popular law office

⁴ Raysman and Brown, *supra* note 1, at 4.

⁵ *The Comp Examiner Agency, Inc. v. Juris, Inc.*, No. 96-0213, 1996 WL 376600 (D.C. Cal. Apr. 26, 1996). Earlier, in *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, 1996 WL 84853, 40 U.S.P.Q.2d (BNA) 1479 (W.D. Wash. Feb. 9, 1996), a court granted an injunction on trademark dilution grounds. However, *The Comp Examiner Agency* is the first case finding trademark infringement in relation to a domain name.

⁶ The site welcomes users as "the Internet's online home for legal, insurance, forensic, and related professions." Memorandum of Points and Authorities in Support of Defendant and Counterclaimant Juris, Inc.'s Reply Brief in Support of Its Ex Parte Application for Temporary Restraining Order, Order to Show Cause Why A Preliminary Injunction Should Not Issue and Order for Expedited Discovery at 2, *The Comp Examiner Agency* (No. 96-0213).

automation software, had registered its name, "JURIS," as a trademark in 1988.⁷ In 1994, Juris, recognizing the growing commercial market on the Internet, sought to register "juris.com" as its own domain name. Juris's application was denied because the name had already been assigned to TCE. Juris, unable to use its trademark name, registered "jurisinc.com" instead and then wrote to TCE and NSI asking that TCE forfeit its domain name because it incorporated the Juris trademark.

NSI, the company that presently controls the registration of domain names, has created and amended a policy to settle domain disputes that generally favors the trademark owner.⁸ Under the policy, a trademark owner such as Juris, upon finding its mark already registered as another's domain name, can complain to NSI and show proof of its federal trademark.⁹ The domain name then will be put on hold until the dispute is resolved by settlement or a court decree, unless the domain holder can show prior rights or a federal trademark registration of its own.¹⁰ Consequently, if the domain holder can prove that it registered the name before the date of the relevant trademark, it may keep the address.¹¹ Also, if the domain holder itself owns the name as a federal trademark, it may keep the domain name regardless of the date of the trademark.

Following these policies, Juris submitted proof of its prior right to the name under its federal trademark dated five years before TCE's domain name registration. Juris then asked that NSI, in accordance with its policy, suspend the domain name immediately pending dispute resolution. NSI originally put the name on hold, but then "made a deal on the side" that allowed TCE to continue

⁷ "[The trademark] was entered on the Principal Trademark Register as Federal Trademark Registration No. 1,503,673, which is a multiple class registration for computer programs, educational services and updating of computer programs." *Id.* at 3.

⁸ *NSI Domain Dispute Resolution Policy Statement*, <[ftp://rs.internic.net/policy/internic-internic-domain-1.txt](http://rs.internic.net/policy/internic-internic-domain-1.txt)> (July 1995) (revised Nov. 23, 1995 at <<http://rs.internic.net/domain-info/internic-domain-4.html>>).

⁹ Presently, NSI policy only addresses federal trademarks and does not recognize state or common law trademarks when determining the status of the domain name in dispute.

¹⁰ David Maher, *Trademarks on the Internet: Who's in Charge?*, CIX/ISOC Workshop (1996).

¹¹ This situation may be rare as domain name registration did not begin until 1992. Zaitlin and Victor, *infra* note 54, at 13. Federal trademark regulations were instituted in 1946. Federal Trademark Act of 1946, 15 U.S.C. § 1051 et. seq. (1994).

using "juris.com".¹² Moreover, TCE was also allowed to register a similar alternative domain name, "juriscom.com". At the same time, Juris was able to register and maintain a web page at "jurisinc.com".

Ironically, TCE made the first strike in this case by filing an action seeking cancellation of the "JURIS" trademark registration on the ground that the term had become too generic.¹³ Juris then counterclaimed for trademark infringement under the Lanham Act and dilution under the 1995 Trademark Dilution Act and asked for injunctive relief.¹⁴

III. THE COURT'S ANALYSIS

The United States District Court for the Central District of California, in the first decision of its kind, applied traditional trademark analysis to a domain name on the Internet and found a likelihood of infringement.¹⁵ The court granted a preliminary injunction enjoining TCE and all its officers, agents, and employees from directly or indirectly using the name "juris" or the Internet domain name "juris.com". In addition, the court also prohibited the use of any confusingly similar variation of "juris", including but not limited to "juriscom.com" for the advertising, operation or maintenance of any Internet site or bulletin board service.¹⁶

¹² Memorandum for Juris, Inc., *supra* note 6, at 8 (nowhere does the record state why NSI detoured from its standard policy of holding the name until resolution of dispute).

¹³ Under the Lanham Act, "no incontestable right shall be acquired in a mark which is the generic name for the goods or services or a portion thereof, for which it is registered." 15 U.S.C. § 1065 (1996).

¹⁴ The Lanham Act provides for protection of trademarks based on a likelihood of confusion analysis, whereas the 1995 Trademark Dilution Act provides injunctive relief for trademark owners when their marks or anything similar have been used in a manner that may weaken the distinctiveness or goodwill associated with the trademark. 15 U.S.C. § 1125 (1996).

¹⁵ Specifically, the court found that (1) Juris, Inc. owned the trademark "JURIS," which had been registered with the Principal Register of the U.S. Patent and Trademark Office since 1988 and has become incontestable under Section 15 of the Lanham Act, 15 U.S.C. § 1065 (1996); (2) Juris has demonstrated a likelihood of success of proving that TCE is infringing Juris's registered trademark by using it as a second level domain name for a website on the Internet; (3) Juris has shown that TCE's use of the domain name was causing irreparable injury to Juris; (4) the probable harm to Juris outweighs any inconvenience to TCE caused by having to discontinue use of that name; and (5) the public interest favors a judgment for Juris. The Comp Examiner Agency, Inc. v. Juris, Inc., No. 96-0213, 1996 WL 376600 at *1.

¹⁶ *Id.*

As in many trademark infringement cases, this preliminary injunction served as the final stage in the litigation.¹⁷ Juris presently maintains its web page at "jurisinc.com", while TCE may now be found at "thelegalcafe.com". Because this was a ruling on a motion for preliminary injunction, the court chose not to publish its opinion. However, with so many similar disputes pending, this decision may serve as a strong precedent and has indeed received a great deal of attention from all concerned with the Internet.

Although the court's conclusions might seem "common sense" to the trademark analyst, the nexus is not so clear for many web users who regard the domain name as simply an address for a certain location within cyberspace. Nevertheless, the implications of the court's judgment are a boon for trademark owners and a further strike against domain name holders. Now, trademark owners in presently unresolved disputes not only have deference because of NSI's policies, but also actual support of a court decision.

In this case, the suit was not brought by the trademark owner, but was an attack mounted by TCE, who claimed that "JURIS" had become a generic term meaning "law" and thus was not incontestable under the Lanham Act.¹⁸ Section 1065 of the Lanham Act states that a federally registered trademark is presumed incontestable after five consecutive years of commercial use unless that mark has become a generic term for the product or service itself.¹⁹ Juris, however, argued that its mark was not a generic term because although the term does mean "law," Juris sells computer software, not law.²⁰ In other words, the term "juris" has not become commonly associated with legal software outside of Juris's use. Further, it is unlike marks such as "Thermos," which is now a common term for the product sold by the company of that name and therefore can no longer function as a trademark.²¹

¹⁷ Telephone interview with William Overend, Counsel for Juris, Inc. (Sept. 6, 1996).

¹⁸ *The Comp Examiner Agency*, 1996 WL 376600 at *1.

¹⁹ 15 U.S.C. § 1065 (1996).

²⁰ Defendant and Counterclaimant Juris, Inc.'s Reply Brief in Support of Its Ex Parte Application for Temporary Restraining Order, Order to Show Cause Why A Preliminary Injunction Should Not Issue and Order for Expedited Discovery at 5, *The Comp Examiner Agency* (No. 96-0213).

²¹ *King-Seeley Thermos Co. v. Alladin Industries, Inc.*, 321 F.2d 577, 138 U.S.P.Q. (BNA) 349 (2d Cir. 1963).

TCE then argued that even if "JURIS" is not a generic term, TCE had not infringed on the trademark as there could be no likelihood of confusion because the mark is not visually identical to the domain name and TCE sells different products. In determining the similarity of a mark, the courts use several factors.²² In general, these factors first look toward the actual appearance and environment of the mark.²³ TCE relied on the lower case lettering of its domain name and the ".com" suffix to show dissimilarity of the marks. However, it is irrelevant that TCE used the word "juris" in lower case instead of uppercase.²⁴ On the Internet, most addresses are in lowercase to accelerate the movement of users through cyberspace by not forcing them to pause and consider when to capitalize. Also, the ".com" suffix at the end of the name does not actually serve as part of the name, but rather is only a term used by the Internet to symbolize a commercial site.²⁵

Not only are the marks identical, but the two companies target the same audience by selling similar or related products.²⁶ TCE sells Internet access for legal offices and does not at this time sell the same office management software marketed by Juris.²⁷ However, TCE does target the same audience—law firms of all sizes. Further, although TCE also targets other professional groups, its site under "juris.com" was used only for its line of legal software, Internet access, and document imaging.²⁸ More importantly, TCE sells space to sub-domain holders that do offer goods and services related to or similar to Juris's legal software.²⁹ These

²² *Golden Door, Inc. v. Odisho*, 646 F.2d 347, 351, 208 U.S.P.Q. (BNA) 638 (9th Cir. 1980). The factors used in this case were cited by Juris and are generally used in infringement cases when determining whether a likelihood of confusion exists. The factors include the following: (1) similarity of goods; (2) proximity of goods; (3) marketing channels used; (4) defendant's intent in selecting the mark; (5) type of goods and degrees of care by purchaser; (6) evidence of actual confusion; (7) strength of mark; (8) likelihood of expansion of product lines.

²³ *Id.*

²⁴ Memorandum for Juris, Inc., *supra* note 6, at 11.

²⁵ *See, e.g., In re National Data Corp.*, 753 F.2d 1056, 1058, 224 U.S.P.Q. (BNA) 749 (Fed. Cir. 1985) (noting that emphasis should be on confusing similarity of non-generic portions of a mark).

²⁶ Memorandum for Juris, Inc., *supra* note 6, at 6.

²⁷ *Id.* at 12.

²⁸ *Id.* at 13.

²⁹ *Id.* at 6.

sites are reached through hypertext links located on TCE's page. The links are generally represented by highlighted text that the user need only click upon to be sent to that new page. Because of the intimate connection created by this simple function, people may confusingly believe that the products on both the TCE site and sub-level domains' web pages are somehow affiliated with Juris.³⁰

Therefore, Juris successfully argued that due to the presence of all of these factors, Internet consumers may confuse the TCE site with Juris and its products. In fact, Juris presented an example of actual confusion. A consumer had transmitted a facsimile meant for Juris to the "juris.com" site.³¹ TCE later admitted to receiving this inquiry without transferring it to Juris.³² Such "evidence that use of the two marks has already led to confusion is persuasive proof that future confusion is likely."³³

Juris next counterclaimed that TCE had violated the 1995 Trademark Dilution Act because by its use on the Internet, it had diluted the unique value of Juris's mark. TCE argued that because other companies use the word "juris" in their names, this precludes a finding that the mark is distinctive. However, Juris has policed its name before.³⁴ Further, dilution is a serious threat with regard to a domain name because of the very nature of the Internet. The net links millions of people across the globe and, therefore, the TCE "juris.com" site acts as a conduit for promoting a vast array of products and services all under the JURIS name.³⁵ According to Juris, its name in such circumstances would no longer be distinctive for its particular products.

The court in this case made no reference to dilution, but found that Juris had shown a likelihood of success of proving that TCE's

³⁰ *Id.* at 15.

³¹ Defendant and Counterclaimant Juris, Inc.'s Reply Brief in Support of Its Ex Parte Application for Temporary Restraining Order, Order to Show Cause Why A Preliminary Injunction Should Not Issue and Order for Expedited Discovery at 10, *The Comp Examiner Agency* (No. 96-0213).

³² *Id.* at 12.

³³ *AMF v. Sleekcraft Boats*, 599 F.2d 341, 352, 204 U.S.P.Q. (BNA) 808 (1979).

³⁴ Juris forced "JURIServ" to change its name to "JURIserv". Brief for Juris, Inc., *supra* note 20, at 13.

³⁵ *See, Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, 1996 WL 84853, 40 U.S.P.Q.2d (BNA) 1479 (W.D. Wash. 1996) (enjoining the use of an Internet site on dilution grounds).

use of "juris.com" would likely cause confusion.³⁶ Because this was a preliminary injunction, the court then found that the probable harm to Juris outweighed the inconvenience to TCE and public interest favored injunctive relief.³⁷ Juris showed that it had invested a great deal of time and money to achieve its goodwill. In context, TCE by this decision would only have to choose a new domain name to address its web page. Moreover, the court's decision allowed TCE to post its new site under the "juris.com" address for six months to direct its consumers to the new page.

IV. THE LAW IN CYBERSPACE

A. THE TRADEMARK STATUTES

The two statutes responsible for regulating federal trademark law are the Lanham Act and the Trademark Anti-Dilution Act. A trademark is defined as any work, term, name, symbol, or device, or any combination thereof, used to distinguish the source of one party's goods (or services) from another's.³⁸ The Lanham Act's test for trademark infringement is whether a mark has been used by another in commerce, without the consent of the owner, in a manner that will cause a "likelihood of confusion" as to the source of the goods or services advertised, distributed, or sold.³⁹ In making this determination, the courts look at several factors relating to the similarity of the marks and their respective markets.⁴⁰ After five consecutive years of commercial use, a trademark is assumed incontestible unless the mark falls within certain exceptions.⁴¹

³⁶ *The Comp Examiner Agency*, 1996 WL 376600 at *1.

³⁷ *Id.* Juris in its brief referred to the NSI policy and its bright line test favoring the trademark owner as an example of the public interest favoring an entry of preliminary injunction for the trademark owner. Memorandum for Juris, Inc., *supra* note 6, at 23.

³⁸ 3 J. THOMAS MCCARTHY, *McCarthy on Trademarks & Unfair Competition* § 25.05 (3d ed. 1995).

³⁹ *Id.* 15 U.S.C. 81125 (1996).

⁴⁰ See *Golden Door, Inc. v. Odisho*, 646 F.2d 347, 351 (listing eight factors to determine whether a likelihood of confusion exists); *Polaroid Corp. v. Polaroid Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (discussing the likelihood of confusion test in reference to similar marketing channels).

⁴¹ 15 U.S.C. § 1065 (1996).

In the last few years with the exponential growth of commercialism on the Internet, many trademark owners have rushed to assert the Lanham Act in defense of their trademarks being used by others as domain names. Trademark owners claim that a likelihood of confusion or dilution occurs when another uses a protected mark as a domain name to sell or advertise goods or services on the Internet. According to these owners, the domain name is now an important source of name recognition and thus functions as more than an address for the web site. *The Comp Examiner Agency* is the first court decision finding possible trademark infringement due to a likelihood of confusion caused by another's use of the trademark as a domain name.⁴² This decision gives more "bite" to pending disputes as most prior claims were settled out of court by arbitration.⁴³

Unlike the Lanham Act, which bases trademark infringement on the likelihood of confusion between similar products, the Federal Trademark Dilution Act of 1995 focuses upon conduct that may weaken the distinctiveness or goodwill associated with a trademark.⁴⁴ Before this new legislation, many states had created dilution statutes that, like the Lanham Act, searched for a likelihood of dilution.⁴⁵ However, this recent amendment to the Lanham Act requires a finding of actual dilution in order to issue an injunction.⁴⁶ This addition to federal trademark law follows the trend of expansion of the definition of a protectable trademark symbol.⁴⁷ For example, the Trademark Clarification Act of 1984⁴⁸ limits the defense of genericness and the Trademark Remedy Clarification Act of 1992⁴⁹ directly applies the Lanham Act to the states, thereby giving greater strength to the incontestability of a trademark.⁵⁰ Now, the Dilution Act moves farther by

⁴² Mark Walsh, *L.A. Judge Issues Injunction Against Internet Name*, THE RECORDER, April 25, 1996 at 1.

⁴³ *Id.*

⁴⁴ 15 U.S.C. §§ 1125, 1127 (1996).

⁴⁵ Richard L. Kirkpatrick and Sheldon H. Klein, *Federalization Trend Culminates in Dilution Law*, NAT'L L.J., June 17, 1996, at D13.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Pub. L. No. 98-620, 98 Stat. 3335 (1984).

⁴⁹ Pub. L. No. 102-542, 106 Stat. 3567 (1992).

⁵⁰ Kirkpatrick & Klein, *supra* note 45.

preempting state dilution claims and extending the reach of federal trademark law.

The Dilution Act specifically targets marks being used for dissimilar products so that the "famous mark" may lose its value as a unique identifier of the owner's goods. So far, there have been few instances in the courtroom of use of the Dilution Act. The Internet, however, is emerging as the major battleground for dilution law because those registering others' trademarks on the Internet as domain names often do so for an unrelated business. In *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, the court granted a preliminary injunction after finding that the defendants had been diluting the value of Hasbro's CANDYLAND mark by using "candyland.com" as an address for its sexually explicit Internet site.⁵¹ Later in *Panavision Int'l, L.P. v. Toeppen*, the United States District Court of the Central District of California, which decided *The Comp Examiner Agency* case, granted summary judgment against a domain name holder for violations of Panavision's trademark by dilution.⁵² Thus, the Dilution Act is beginning to play an important role in policing the Internet.

B. NSI DISPUTE POLICIES

Although both the Lanham Act and Dilution Act are traveling into the wild realm of the Internet, trademark owners' first line of defense against the respective domain name holder is the dispute policies of NSI.⁵³ First, to register the domain name itself, a private corporation called Network Solution, Inc. (NSI) has a contract with U.S. National Science Foundation to distribute

⁵¹ 1996 WL 84853, at *1 (W.D. Wash. February 9, 1996).

⁵² 945 F. Supp. 1296, 40 U.S.P.Q.2d (BNA) 1908 (C.D. Cal. 1996). The court found that Toeppen was in the business of registering famous names as domain names, and by registering "panavision.com", he had diluted Panavision's mark within the meaning of the Federal Trademark Statute. *Id.* at 5-7. The court came to this result by recognizing the unique opportunities created by Internet technology. *Id.* at 7. However, the court maintained that the holding was narrowly tailored to recognize only that domain name "piracy" violates the dilution statute. *Id.* at 8. The court did not reach the claim of infringement. *Id.*

⁵³ For NSI's policy statements regarding elements of domain names, see <<http://rs.inter-nic.net/domain-info/internic-domain-4.html>>.

domain names that end in “.com”, “.edu”, “.org”, “.gov” and “.net”.⁵⁴ The contract, however, dates from 1993, before the explosion of requests for domain names and the concern over any trademark issues.⁵⁵ The original policy was, as stated above, “first-come, first served.”⁵⁶ A person may register a domain name by completing an application, typically by E-mail. NSI will assign that domain name to the applicant as long as the name has not been previously registered.

As a result of an outbreak of trademark actions filed against domain holders and NSI itself, the company has made a few policy changes that favor the trademark owner. In July of 1995, NSI added a dispute policy that allows the owner of a federally registered trademark to complain to NSI and receive relief if its trademark has been registered as a domain name.⁵⁷ If the original domain name owner has prior rights⁵⁸ in the name or can also produce a federal trademark registration, NSI's policy allows the original domain name holder to continue to use the name after it posts bond and agrees to indemnify NSI. However, if the domain holder does not agree to these conditions, or does not have prior rights or a federal registration, NSI suspends the domain name registration pending the outcome of the dispute.⁵⁹

In August 1995, NSI received permission from the National Science Foundation, NSF, to impose a fee of \$100 for the registration of the domain and \$50 per year for maintenance.⁶⁰ The purpose for this change was twofold. First, this provides an income source for NSI to defend itself in any legal actions. Second, the change was to discourage cyber-piracy by placing a financial burden on those who want to register a name only to hold it for ransom.

⁵⁴ Richard Zaitlen and David Victor, *The New Internet Domain Name Guidelines: Still Winner-Take-All*, 5 *COMPUTER LAW* 12, 13 (May 1996).

⁵⁵ As of January 1997, 828,000 domains had been registered as compared to 21,000 in January 1993. Of the 828,000, 507,513 are “.com” (commercial). *Network Wizards Internet Domain Survey*, (Last Visited March 1997) <<http://www.nw.com/zone/WWW/report.html>>.

⁵⁶ Maher, *supra* note 10, at 13.

⁵⁷ *Id.*

⁵⁸ A domain holder only has prior rights when the domain name has been registered before the date of the trademark.

⁵⁹ For example, “acme” is not a registered trademark, but is used by many groups as a distinctive name. Thus, one of these groups would be forced to litigate the issue in court.

⁶⁰ Raysman and Brown, *supra* note 1, at 4.

These new NSI policies, however, do not coincide with trademark law. First, NSI only performs a search of top level domains for that exact mark.⁶¹ For example, Juris was allowed to register "juris-inc.com" after discovering TCE had registered "juris.com". Moreover, TCE was permitted to register the alternative name, "juricom.com". Also, NSI ignores sub-domains when approving domain name applications. In fact, the company only keeps a partial list of these names.⁶²

NSI's registration capabilities are also more limited than trademark law, as at this time, only one entity may register for a particular name. On the other hand, trademark law allows the registration of identical marks for products that are in different markets with little possibility of confusion.⁶³ For example, "dominoes" is a trademark for both a sugar and a pizza supplier. However, on the Internet only one will be able to register its trademark as a domain name.

Another problem with the NSI policies is that they provide relief similar to an injunction without due process. With only the proof of a federal trademark registration, NSI places the domain name on hold. Unlike a court guided by the federal trademark statutes, NSI performs neither a likelihood of confusion nor a dilution analysis. This policy gives trademark owners significant leverage and has generated several lawsuits against NSI by domain name owners.⁶⁴

V. ANALYSIS

The decision in this case demonstrates that use of a valid trademark name as a domain name for a company operating in a similar market may meet the technical requirements of trademark infringement. However, this finding of cyber-infringement may be limited. First, the domain name "juris.com" is in all respects

⁶¹ The top-level domain is the first level located at the end, such as ".com" or ".edu".

⁶² JEFFERSON F SCHER, *THE EVOLVING NETIQUETTE OF TRADEMARKS IN CYBERCOMMERCE* 5 (1996).

⁶³ 15 U.S.C. § 1052(d) (1996).

⁶⁴ See, e.g., *Roadrunner Computer Systems, Inc. v. Network Solutions, Inc.*, No. 96-CV-413 (E.D. Va. filed March 26, 1996) (dismissing the case as "moot" after NSI advised the court that the relevant trademark owner no longer wished to pursue its complaint).

identical to the Juris trademark, "JURIS". Second, Juris and TCE do target the same group of consumers, the legal community, for software and related services. Third, there was evidence of actual confusion. Fourth, "juris.com" does not have a direct nexus to TCE's company name. Therefore, although the case may serve as precedent, the tough question of whether any domain name may actually function like a trademark remains unanswered.⁶⁵

The domain name was created as a user friendly mechanism to replace the more complicated sequence of numbers that actually functions as the address.⁶⁶ However, because of the exponential growth of the Internet as a commercial frontier, many argue that the domain name is becoming a source of "name recognition" for the owner of the related web site.⁶⁷ Domain names not only reflect company names, such as "ibm.com", but company names are created to mimic their domain name, such as At Home Corporation ("@home.net").⁶⁸ Thus, the domain name may function like a trademark as a symbol of the company's goodwill.

Proponents of the argument that domain names may function as trademarks have suggested a comparison between domain names and 1-800 telephone numbers.⁶⁹ Courts have found 1-800 phone number strings to infringe other's trademarks and to act as an example of goodwill.⁷⁰ They are similar to domain names because they also act as a link from the consumer to the product or service being sold. Also, phone numbers, like Internet addresses, are

⁶⁵ See Alan J. Haus, *Trademarks and Domain Names: Keep Your Property From Interfering in My Domain* (Last Visited March 1, 1997) <<http://www.degrees.com/melon/archive/207/trademark.html>> (arguing that a domain name may only infringe on trademark rights if involving the same market).

⁶⁶ Maher, *supra* note 10.

⁶⁷ JEFFERSON F. SCHER, *THE EVOLVING NETIQUETTE OF TRADEMARKS IN CYBERCOMMERCE* 3-4 (1996).

⁶⁸ *Id.*

⁶⁹ Carl Oppedahl, *NSI Domain Name Dispute Policy Puts Owners at Significant Risk*, N.Y.L.J., May 21, 1996, at 5; see also, *MTV v. Networks, Inc. v. Curry*, 867 F. Supp. 202, 204 n.2 (S.D.N.Y. 1994) (comparing domain names to telephone numbers).

⁷⁰ See, e.g., *Express Mortgage Brokers, Inc. v. Simpson Mortgage, Inc.*, 31 U.S.P.Q.2d (BNA) 1371 (E.D. Mich. 1994) (holding trademark infringement of a local number, 369-CASH by defendant's more recent registration of 1-800-760-CASH); *Multi-Local Media Corp. v. 800 Yellow Book, Inc.*, 813 F. Supp. 199, 205 (E.D.N.Y. 1993) (finding a likelihood of confusion between defendant's 1-800-YELLOW BOOK phone number and plaintiff's "YELLOW BOOK" trademark).

registered first-come, first-serve. Unlike phone numbers, however, no comprehensive directory of domain names exists. Arguably, this makes trademark analysis even more essential for domain names, which without a directory are a more important identifier of a source on the Internet. In other words, an Internet user will normally try to locate the company by using its name or trademark. Two problems are created by this analysis: 1) a recent decision concerning 1-800 numbers might require the registration of the domain name itself for trademark protection; and 2) the power of domain names has been heavily diluted by the creation of various Internet search engines.

In *Holiday Inns, Inc. v. 800 Reservation, Inc.*,⁷¹ the Sixth Circuit held that although the chain, Holiday Inns, owned trademark rights in its mark, it did not own rights to frequently called misdialed numbers. In that case, Holiday Inn had the name "Holiday" registered and used the number 1-800-HOLIDAY to solicit customers. The defendants were using the number 1-800-H[zero]LIDAY for their reservation service. Holiday Inn claimed trademark infringement because the telephone number the reservation company used was frequently misdialed by callers seeking Holiday Inn. The court found that confusion was already present in the misdialing public.⁷² Further, the court stated that Holiday Inn had only obtained a federally registered trademark for "HOLIDAY" and not the phone number itself. Thus, if domain names were treated in a similar manner as these 800 numbers, which has been suggested by trademark analysts,⁷³ then the trademark owner must also register the domain name itself (i.e. "juris.com") to be able to maintain it. Recently, the U.S. Patent and Trademark Office has accepted applications for domain names as registered trademarks.⁷⁴

⁷¹ 86 F.3d 619, 39 U.S.P.Q.2d (BNA) 1181 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997).

⁷² *Id.*

⁷³ Arthur L. Plevy, *Domain Names and Internet Trademark Pains*, N.J. LAW., January 22, 1996, at 32.

⁷⁴ *Id.* See also, Anne Hiarling, *Trademarks and the Internet*, in PLI'S SECOND ANNUAL INSTITUTE FOR INTELLECTUAL PROPERTY LAW at 447, 511-514 (PLI Patents, Copyrights, Trademarks, and Literary Property Handbook Series No. 454, Sept. 1996) (giving a full discussion of the possible difficulties in registering a domain name as a service mark).

An even greater problem concerning the use of domain names as trademarks is their decreasing value as an identifying source. Search engines such as Webcrawler and Yahoo allow a user to find a certain party by using terms that relate not only to the Internet address itself, but to key words within the page. A user needs only to type in the topic he or she wishes to find, and the particular search engine will create a list with summaries of each related site. Typically, such a search, no matter how narrow, will indubitably produce a list of over a thousand possible web pages! One need not know or even guess at the domain name to find a certain company. Thus, the importance of the domain name as an identifier of a specific source has been diluted and its function again relegated to that of an address.

The history of the Internet supports the conclusion that the domain name is in fact only an address for a web site. The Internet was not created by an international treaty or an act of Congress. The system was established and expanded by the U.S. Department of Defense and educational institutions across the United States in an effort to connect mainframes and local networks for scientific research.⁷⁵ The Internet has been heralded as a free system due to the lack of any true central authority or strict rules. In keeping with this liberal character, the domain name was developed only to make addresses for the sites easier to remember than a string of numbers.

Further, once a user opens the Internet page, actual confusion is often unlikely. For example, here the "juris.com" site now held by Juris, Inc. displays the title "Juris, Inc." in large block letters at the top of the page. There is no doubt that this page and its products are related to Juris, Inc. In contrast, the site at the address "thelegalcafe.com" displays the words "Employer Group" in large block letters at the top of the page and at the bottom states that the page is maintained by 25th Century Internet Publishers (TCE). Because of these identifying characteristics, there should be no confusion between the two sites. Therefore, a better analysis for the court may entail determining whether the domain name in conjunction with the page itself would likely cause confusion.⁷⁶

⁷⁵ Maher, *supra* note 10, at 3.

⁷⁶ Recently the Eastern District Court of Virginia addressed this issue generally and found that in regards to the particular facts of the case before the court, confusion was likely even once the user perused the page. In that case, the disputed domain name was

Also, the practicality of web use makes it unlikely that actual confusion would occur. If the user does not know the address of the company's page he wishes to reach, he may simply type in the name of the company or a related term in the search block to obtain a list of possibilities. The Internet also provides a service called "WHOIS" that allows the user to type in the domain name and instantly discover the company, contact, and any operational information for that site.⁷⁷ So, if a consumer wants to check the entity providing the information, he need only search by using these services. Therefore, courts should be cautious and consider whether there is actual proof of confusion.

These Internet services may prevent confusion necessary for an infringement action, but they do not address the problem of dilution of a unique mark. NSI does not search cyberspace for similar names when approving a domain name application. Therefore, as this case shows, the names "juris.com", "jurisinc.com", and "juris-com.com" may all be registered. If a user types in the search term "juris," he will likely find all of these sites. The name juris would then not be a distinct mark for Juris, Inc. on the Internet. Thus, passing of the Dilution Act is important legislation for trademarks on the Internet, particularly when dissimilar products are often involved and there is no likelihood of confusion.⁷⁸ However, the limiting factor to this protection is that the Act requires proof of actual dilution.⁷⁹

Regardless of the possible problems with a confusion analysis and showing actual dilution, most would agree that because the Internet is now an important economic frontier, trademark owners should be able to protect and utilize their mark in cyberspace. This

"cardservice.com", and the title of the web page was "card service", which was very similar to the trademark "cardservice international". Moreover, the page was being used to sell the exact same services. For the first time since *The Comp Examiner Agency*, the court found trademark infringement and ordered a permanent injunction. *Cardservice International, Inc. v. Webster R. McGee*, 950 F. Supp. 737, 740-41 (E.D. Va. 1997).

⁷⁷ Maher, *supra* note 10, at 3.

⁷⁸ See, e.g., *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, 1996 WL 84853 (W.D. Wash. February 9, 1996) (finding dilution of Hasbro's mark CANDYLAND by a pornographic group); *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296 (C.D. Cal. 1996) (finding dilution when defendant registered plaintiff's trademark name as a domain name for the purpose of holding it for ransom).

⁷⁹ 15 U.S.C. § 1125 (1996).

concern is especially strong in cases of cyber-piracy where a "speculator" registers a name only for the purpose of maligning the trademark owner⁸⁰ or for holding that name to sell to the highest bidder.⁸¹ Although applying trademark law is simple and fair in such cases, the law does not address situations where the name is registered, but not used.⁸² In such a case, the trademark owner would be unable to use its mark and also unlikely to prove confusion or dilution by the "pirate."⁸³

Yet, applying trademark law to the Internet provides a uniform system of regulation amid the often changing policies of NSI and varied new state statutes. NSI has amended its policies on three different occasions in the last year. Recently, states such as Georgia have passed or proposed new legislation addressing the problems on the Internet. The Georgia law, which went into effect July 1996, makes it a criminal misdemeanor to "knowingly . . . transmit any data through a computer network . . . if such data uses any individual name, trade name, registered trademark, logo, legal or official seal, or copyrighted symbol to falsely identify the person."⁸⁴ In contrast, the proposed California statute cited by Juris in its brief serves as an amendment to California's civil code making unauthorized use of another's electronic mail address or computer bulletin an act of unfair competition if the user fails to release the domain name upon notice.⁸⁵ Thus, if trademark law is applied to domain names, the law will smooth these uneven

⁸⁰ For example, a person registered "micros[zero]ft.com" in order to present negative satire about Microsoft's owner, Bill Gates. The page has recently disappeared.

⁸¹ A site is located on the Internet that lists domain names for sale. See also, JEFFERSON F. SCHER, *supra* note 67, at 13-15 (advising attorneys how to aid a client in contracting for a domain name).

⁸² *Id.* at 9. Generally, the courts will presume a likelihood of confusion when one party intentionally uses a mark similar to another's. 3 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 23.32[2] at 23-201-203 (1995).

⁸³ Although the court in *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296 (C.D. Cal. 1996) found "piracy" to be a violation of federal trademark dilution, the court specifically stated that this mark must be for a commercial use. However, the court stretched to find commercial use by holding that Toeppen was in the business of registering others' trademarks as domain names. *Id.* at 5.

⁸⁴ Computer Systems Protection Act, O.C.G.A. § 16-9-93.1 (1996).

⁸⁵ S.B. 1533, CAL. CIV. CODE § 1622 (1996). The bill was later withdrawn to the approval of many critics. See Anne Hiaring, *supra* note 74, at 480 (applauding the withdrawal of the California bill).

bumps by preempting such poorly written state laws.⁸⁶

However, a disadvantage of trademark law on the Internet is that it constrains a system that has always existed as a very liberal environment for its users. By its nature, the Internet is a powerful resource for smaller companies to advertise their goods and services cheaply to a broad audience. But, with the advent of trademark law, such companies may be unable to use their present domain name because it is another's trademark. For example, a domain holder on the Internet wants to register "mcdonalds.com" because the name of its company is McDonald's Computing. Although there is a legitimate nexus and the products offered are not related to the fast food chain, McDonald's, the Dilution Act favors the trademark owner. Such a case has not at this time been brought to the attention of the legal community nor does the decision of *The Comp Examiner Agency* or other recent cases address the situation.

Moreover, traditional trademark law allows identical registrations of the same mark for noncompeting goods or services where there is no likelihood of confusion.⁸⁷ An example is the mark EAGLE, which is registered for condensed milk and pencils as well as three hundred other goods. However, on the Internet, only one company can use "eagle.com". At this time, the only rule is first to register wins. Both of these situations show the gaps still present even when trademark law is applied. As Professor Thomas McCarthy stated, "[i]t's just the Wild West out there. The new technology grew up and created legal problems overnight that the legal system is slow to respond to."⁸⁸

Nevertheless, the law is rushing to settle this wild frontier that is constantly changing because of evolving technology. Still, the first avenue for domain disputes is the policies of NSI. As discussed above, these policies do not operate in complete accord with

⁸⁶ Critics of the Georgia law have commented that Georgia legislators "don't know a gigabyte from a chigger byte." Jonathon Kerr, *Georgia: New Law Makes It a Misdemeanor to Use Web Logos Without Consent*, West's Legal News (May 14, 1996). They complain that the law is so broad that it makes any use of a trademark a criminal violation.; see also, Jonathon Kerr, *Georgia: ACLU Files Federal Lawsuit over State's Newly Enacted Internet Law*, West's Legal News (Sept. 26, 1996) (discussing ACLU's challenge that the new Georgia law is "unconstitutionally vague" and "impermissibly chilling" of free speech").

⁸⁷ Lanham Act, 15 U.S.C. § 1052(d) (1996).

⁸⁸ Walsh, Mark, *L.A. Judge Issues Injunction Against Internet Name*, THE RECORDER (April 25, 1996).

trademark law. NSI continues to register domain names on a first-come, first-served basis. NSI does not perform any trademark searches nor investigate whether the applicant has rights to the requested name. However, the remedy, a hold on the domain name until dispute resolution, has the effect of a preliminary injunction without due process.⁸⁹ The trademark owner does not have to demonstrate any of the substantive requirements of a preliminary injunction, which include the following: (1) irreparable harm; (2) likelihood of success on the merits; and (3) posting a bond. This action has resulted in at least six lawsuits being filed against NSI for its policies.⁹⁰

Also, NSI Dispute Resolution Policy alone does not provide relief to owners of substantially similar, but not identical trademarks, common law trademarks, or state registered trademarks.⁹¹ The policy does not address the issues of concurrent registration for the same mark, different products.⁹² It is these situations that trademark law is suggested to resolve. Because of these gaps and contradictions, different legal professionals and cyber-experts have suggested changing or even completely restructuring the domain name system to make trademark law less necessary.

Most legal experts cannot agree as to what method of change would best serve this purpose. One proposal is to create new suffixes other than ".com".⁹³ In the United Kingdom, the suffix is based on geographic region and so limits the amount of possible confusion. However, this solution would not work for many American companies, which exist nationally and are not tied to any one state or region. A better solution was proposed at the Delegation of International Top Level Domains by Bush, Carpenter and J. Postel.⁹⁴ The proposal allows open competition in domain name

⁸⁹ JEFFERSON SCHER, *supra* note 67, at 11.

⁹⁰ *Id.* See, e.g., *Roadrunner Computer Systems, Inc. v. Network Solutions, Inc.*, No. 96-CV-413 (E.D. Va. filed March 26, 1996) (challenging NSI's policies as unfairly favorable to trademark owners).

⁹¹ Richard Zaitlen, *supra* note 54, at 16.

⁹² *Id.*

⁹³ Raysman and Brown, *supra* note 1, at 62.

⁹⁴ R. Bush et al., *Delegation of International Top Level Domains, Internet-Draft* (Last Visited October 10, 1996) <<ftp://ds.internic.net/internet-drafts/draft-ymbk-itld-admin-00.txt>>. This proposal, originally written by J. Postel, head of Internet Assigned Number Authority, was accepted by the Internet Society board of trustees (ISOC). The proposal creates more

registration, multiple registries, and a permanent role for the Internet Assigned Number Authority, IANA,⁹⁵ as a central authority.⁹⁶ Open competition for domain name registration would mean that no name could be distinctive as each source could allow the second level domain "juris". With multiple registries, companies would be identified by their suffix, rather than the second level of the domain. IANA would then be given dictatorial powers with no right of appeal. Trademark law could still be applied to resolve any possible disputes, but this should not be necessary for the domain name itself, which would no longer be a unique connection to a location in cyberspace.

VI. CONCLUSION

The court's finding of trademark infringement in *The Comp Examiner Agency* was reasonable in light of the evidence of similarity and actual confusion. However, courts should be cautious when applying the likelihood of confusion standard to domain name disputes and should consider the nature of cyberspace itself as well as the typical similarity factors. Because in many situations on the Net confusion is unlikely, the Dilution Act serves as a stronger claim for trademark owners and provides a sufficient remedy by enjoining any similar mark. Regardless of the gaps unfilled by trademark law, it serves as the best alternative for settling these disputes until relevant groups enact major reform for the current domain name system. The present NSI policy and recently enacted state statutes are not consistent and cannot provide a uniform system of control for this world wide program. The best advice for business web watchers is to do a preliminary trademark search personally or through a service in order to ensure that they will be able to maintain their chosen domain name. If

descriptive terms for top level domains (up to 150 new suffixes) to reduce the load carried by ".com". However, the proposal is to be "fleshed out" before implementation. *Blue Ribbon International Panel to Examine Enhancements to Internet Domain Name System*, PR Newswire, Oct. 22, 1996, available in Westlaw, PRWIRE.

⁹⁵ IANA is one of a few non-governmental working groups established by the founders of the Internet to administer the Net. It is a private and voluntary organization with relatively open membership. Maher, *supra* note 10, at 4.

⁹⁶ R. Bush, *supra* note 94.

the name is not a trademark and is unique and may act as a service mark, run to the PTO and register the name as a trademark immediately!

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