

2001

Managing the "Team" on the Field, Off the Field, and In Cyberspace: Preventing Cybersquatters from Hijacking Your Franchise's Domain Names

Craig A. Pintens

Follow this and additional works at: <https://scholarship.law.marquette.edu/sportslaw>



Part of the [Entertainment, Arts, and Sports Law Commons](#)

Repository Citation

Craig A. Pintens, *Managing the "Team" on the Field, Off the Field, and In Cyberspace: Preventing Cybersquatters from Hijacking Your Franchise's Domain Names*, 11 Marq. Sports L. Rev. 299 (2001)
Available at: <https://scholarship.law.marquette.edu/sportslaw/vol11/iss2/10>

This Comment is brought to you for free and open access by the Journals at Marquette Law Scholarly Commons.
For more information, please contact elana.olson@marquette.edu.

MANAGING THE “TEAM” ON THE FIELD, OFF THE FIELD, AND IN CYBERSPACE: PREVENTING CYBERSQUATTERS FROM HIJACKING YOUR FRANCHISE’S DOMAIN NAMES

I. INTRODUCTION

Jerry Bonds and Rusty Baker, two self-proclaimed San Francisco Giants fanatics, are excited for opening day against the hated Dodgers, and the christening of brand-new Pac-Bell Park. Neither are season ticket-holders, so Rusty is currently bidding on a pair of Upper Grandstand tickets at <http://www.ebay.com>, and is willing to pay top-dollar to attend this momentous day in Giants history. As fanatics, they both log on daily to the Giants official web site at <http://www.sfgiants.com> to check the countdown to opening day, and listen to Cactus League games on <http://www.broadcast.com>. Jerry checks daily to monitor the progress of his new sports cathedral, and to see if any new pictures of the construction have been posted. He cannot wait to email his brother in Huntsville, Alabama with an updated construction photo, and to beg him to vote in the ESPN.com fan poll asking which new ballpark is the best (Pac-Bell, of course).

Now imagine if Pac-Bell was opening its gates in April of 1990. The whole scenario described above would be different. Rusty would have to acquire tickets from a scalper on the day of the game, or from a ticket broker. Jerry would have to rely on the newspaper or evening news for updates on the new stadium, and listen to the games on the radio. He would call his brother in Huntsville asking him if he saw the story on ESPN about the new stadiums, and wonder which fans Sportscenter polled, because Enron Field does not hold a candle to Pac-Bell.

The above anecdote illustrates how explosive the growth of the Internet has become. In just ten years, the face of professional sports in the United States has changed. The explosion of the Internet has opened the door for sports fans to receive the latest news on their favorite teams and players. Websites such as <http://www.espn.com> and <http://www.cbssportsline.com> are standard vocabulary in the average sports fan’s vernacular.

Franchises also realized the importance of the Internet and began developing their own “official” team sites.¹ As we begin the 21st century, the Internet will become increasingly important to sports franchises as

1. Currently every professional franchise in the four major sports has an official website.

they market their teams and brand extensions. Through team sites, fans are given access to insider features, highlights, merchandise, special offers, and tickets.

Although the Internet has changed the face of American sports, it has not been without problems, particularly at the outset. Confusion was widespread at first as late-adapting corporations got online and realized somebody was already using their domain name. This problem was illuminated in 1994 by journalist Joshua Quittner while working on a story for *Wired* magazine about companies that had yet to register their names on the Internet.² While working on the story, Quittner discovered only one-third of Fortune 500 companies had registered domain names, while other people owned fourteen percent of American companies' domain names.³ McDonald's, the fast food icon, was one of the companies without a web presence.⁴ Quittner made telephone inquiries to McDonald's asking about their web policy; however, McDonald's seemed oblivious to the technology revolution happening outside the Golden Arches.⁵ Quittner was told McDonald's had no plans on registering a domain name in the near future, so Quittner registered the domain name <http://www.mcdonalds.com>.⁶ After registering the domain name, Quittner contacted McDonald's and asked if they would like their domain name, but they showed indifference.⁷

After McDonald's realized the importance of the Internet, McDonald's contacted Network Solutions, the registrar of domain names, and asked them to remove the name from circulation.⁸ Attorneys for *Wired* magazine contacted McDonald's and explained that they planned to fight the registration of the domain name.⁹ Hoping to cover the embarrassing situation, McDonald's settled by donating \$3500.00 to a Brooklyn, New York school to connect it to the Internet in exchange for assignment of the rights to its domain name.¹⁰

2. Joshua Quittner, *Billions Registered: Right Now, There Are No Rules to Keep You From Owning a Bitchin' Corporate Name As Your Own Internet Address*, WIRE, Oct. 1994, at 50.

3. *Id.* at 54.

4. *Id.* at 50.

5. *Id.*

6. *Id.* at 56.

7. *Id.*

8. M.A. Stapleton, *Careful What Names you Invoke on the World Wide Web*, CHI. DAILY L. BULL., Dec. 26, 1996, at 2. As described in Section III of this paper, Network Solutions was in charge of domain name registration at the time.

9. *Id.*

10. *Id.* at 3.

After Quittner's article, many individuals realized that under existing registration policies, anybody was free to register any domain name they wanted with no questions asked. People began registering famous trademarks in hopes they would be able to sell them for much more than the nominal expense it cost to purchase the domain name. The buyers of these domain names thought of themselves as zealous entrepreneurs, but they came to be known as "cybersquatters" or "cyberpirates" in the media.

Recently, two measures were established in an attempt to combat the widespread problem of cybersquatting. In the Fall of 1999, Congress passed the Anti-Cybersquatting Consumer Protection Act (ACPA), which allows litigation to be brought against cybersquatters.¹¹ A second way to combat cybersquatting is through an arbitration process known as the Uniform Dispute Resolution Policy (UDRP).¹²

Using professional sports franchises as a backdrop, this paper initially will discuss the implementation of the two recently established cybersquatting laws and their application to professional sports. Section One will provide a general background of the Internet and initial domain name registration procedures. Sections Two and Three will provide background information on the Internet and the handling of domain name disputes before the enactment of the ACPA and the UDRP. Section Four will discuss the ACPA, its brief caselaw, and its sports application. Section Five will examine the alternative to the ACPA, the UDRP, its flourishing arbitration decisions, and its sports franchise applications. Section Six will offer a comparison of the two policies in terms of time, cost, and practicality. Section Seven will explain the reaction of the four major sports leagues to the explosive growth of the Internet. Finally, Section Eight will offer an anti-cybersquatting plan for every major league franchise to implement.

II. HISTORY OF THE INTERNET AND DOMAIN NAME REGISTRATION

A. *From Cold War to Global Marketplace*

The Internet began as government technology in 1969 when a division of the defense department, known as the Advanced Research Projects Agency (ARPA), began a network not so creatively named

11. 15 U.S.C. § 1125(d) (1999).

12. ICANN: *Uniform Domain-Name Dispute-Resolution Policy*, available at <http://www.icann.org/udrp/udrp.htm> (last visited Feb. 20, 2001) [hereinafter *UDRP*].

ARPANET.¹³ The United States, in the midst of the Cold War, needed a secure network in which military computers could communicate in case of destruction of normal communication means, such as the telephone.¹⁴ The network enabled "computers operated by the military, defense contractors, and universities conducting defense research to communicate with each other."¹⁵ Initially, there were only four hosts: University of California at Los Angeles (UCLA), the University of California at Santa Barbara, the University of Utah, and Stanford University.¹⁶

Throughout the 1970s, ARPANET grew as more hosts were added, particularly in universities. By 1980, ARPANET had grown significantly and was divided into two subsidiary networks called ARPANET and MILNET (military communications network).¹⁷ These two separate networks needed the capability to communicate. The link between the two became known as the Internet, or the combining of networks.¹⁸ During this time, ARPA, now renamed the Defense Advanced Research Projects Agency (DARPA), was responsible for governance of this evolving technology. As the Internet evolved, an important decision was made in 1986 by the government to transfer the responsibility from DARPA to the National Science Foundation (NSF).¹⁹ Under the NSF, the Internet's use and scope grew rapidly in the United States and the United Kingdom, as the Internet became more academic, and as universities came onto the network to share research.²⁰ This is evidenced by the fact that in 1986 there were 5,089 hosts.²¹

In 1991, Senator Al Gore sponsored a bill that extended the Internet into schools, libraries, hospitals, and factories.²² This bill exposed a wide number of new users to the awesome power of the Internet. As more and more people became exposed to the Internet through work or school, home use increased using Internet Service Providers (ISPs).²³

13. HOLLY TAYLOR, *INTERNET: A COMPREHENSIVE GUIDE* 5 (1995). A network is simply defined as "a data communications system which interconnects computer systems at various different sites." *Id.* at 419.

14. NEIL BARRETT, *THE STATE OF THE CYBERNATION: CULTURAL, POLITICAL AND ECONOMIC IMPLICATIONS OF THE INTERNET* 21-22 (1996).

15. *Reno v. ACLU*, 521 U.S. 844, 850 (1997).

16. TAYLOR, *supra* note 13, at 6. A host is a computer that allows users to communicate with other host computers on a network. *Id.* at 415.

17. BARRETT, *supra* note 14, at 22.

18. *Id.*

19. *Id.*

20. *Id.* at 23.

21. G. BURGESS ALLISON, *THE LAWYER'S GUIDE TO THE INTERNET* 175 (1995).

22. TAYLOR, *supra* note 13, at 7.

23. An ISP is a host service that provides Internet access to users.

This is shown through the infinitely exponential growth of the Internet, as companies such as Compuserve, America Online, and Microsoft gained entry into the households of Americans.²⁴ In the span of three years, from 1991 to 1994, the Internet's number of hosts grew by a staggering six hundred percent.²⁵ By the end of 1999, it was estimated that 259 million people were connected to the Internet, and by 2002, that number will almost double.²⁶

B. NSI Invites Cybersquatters to Stake Their Claim

The rise in Internet use is due in large part to the World Wide Web, or the "www" of a website address. The World Wide Web was created in Switzerland with the idea that information should be freely accessible to everyone.²⁷ The success of the Internet hinges on the use of these websites, which are identified by domain names. However, domain names are not as simple as they appear to computer users.

Although the Internet is a conglomeration of networks, individual users must be distinguished from one another so other users can locate them.²⁸ Therefore, each user of the Internet is assigned an individual Internet Protocol address (IP address).²⁹

Every computer user connected to the Internet has his or her own unique IP address, which is merely a combination of numbers arranged in specific fields (such as 128.67.435.91). This numeric code is a map, with each numeric grouping indicating a particular place in cyberspace, which the Internet uses to send a particular packet of information to its intended recipient.³⁰

However, most computer users are not familiar with the unique numbers assigned to each website; rather, they associate websites with addresses such as <http://www.espn.com>, the website for ESPN. This address is what is referred to as a domain name.

A domain name typically has three parts. The first part of the domain name, or typically the "www," tells the person typing in the address with which network to communicate. The second part of the address

24. *Connecting to the Web: Line Up of the Heavy Hitters in the World of Internet Providers*, SEATTLE TIMES, Feb. 16, 1997, at F1.

25. ALLISON, *supra* note 21, at 175.

26. *CI Almanac Ranks South Korea 10th in No. of Internet Users*, KOREA TIMES, Nov. 16, 1999, at 1.

27. TAYLOR, *supra* note 13, at 270.

28. Michael Tanner, *Trademarks, Internet Domain Names, and the NSI: How Do We Fix a System That is Already Broken?*, 3 J. TECH. L. & POL'Y 2, 10 (1998).

29. JERRY LAWSON, *THE COMPLETE INTERNET HANDBOOK FOR LAWYERS* 372 (1999).

30. Tanner, *supra* note 28, at 10.

from left to right is the second-level domain, and usually contains a descriptive word or trademark regarding the content of the website. This part of the domain name is usually involved in litigation because the name in the middle is often a trademark. The third part is referred to as the top-level domain (TLD).³¹ There are currently seven different TLDs in the United States. They are: ".com" (commercial business), ".edu" (educational institutions), ".gov" (non-military government organizations), ".mil" (military organizations), ".net" (networks), ".org" (non-profit organizations), and ".int" (international organizations).³² In addition to the seven top-level domains in this country, there are approximately 240 two-letter country code TLDs such as "us," "uk," "jp," and "kr."³³ However, despite all the possible combinations, more than thirty-five percent of the world's domain names end in ".com."³⁴

The current TLD system is set to change in early 2001, when seven new suffixes will be added.³⁵ The suffixes include: ".biz" (restricted to businesses), ".coop" (restricted to cooperative businesses), ".info" (open to anyone), ".museum" (limited to museums), ".name" (limited to personal websites), ".pro" (restricted to licensed professionals such as accountants, lawyers, and doctors), and ".aero" (related to air transport).³⁶ The addition of these TLDs should ease navigation of the World Wide Web, and help to eliminate confusion among entities with the same name in different fields.

Thus, in the earlier example of <http://www.espn.com>, we are connecting to the World Wide Web (third-level domain), where we are connecting to ESPN (second-level domain), which is a commercial enterprise (top-level domain).

With the staggering increase in usage, the NSF decided it could not effectively control the domain name registration process, as numerous individuals and corporations wanted to register domain names. In 1993, the NSF appointed Network Solutions, Inc. (NSI) as the exclusive registrar of ".com," ".net," and ".org" domain names.³⁷ NSI charged \$70.00

31. TAYLOR, *supra* note 13, at 17.

32. *Id.* at 17-18.

33. *Mapping of Internet Domain to Country/Organization Name*, <http://www.ics.uci.edu/pub/websoft/wwwstat/country-codes.txt> (last visited Feb. 20, 2001).

34. *Internet Software Consortium: Distribution by Top-Level Domain Name by Host-Count January 2000*, <http://www.isc.org/ds/WWW-200001/dist-byenum.html> (last visited Feb. 20, 2001).

35. John Yaukey, *New Domain Names Give '.com' Some Competition*, GANNETT NEWS SERVICE, Dec. 11, 2000 at ARC.

36. *Id.*

37. F. LAWRENCE STREET & MARK P. GRANT, *LAW OF THE INTERNET* 388 (2000).

to register a domain name, with practically no restrictions, because NSI registered domain names on a first-come, first-serve basis.³⁸ NSI left the burden of checking for trademark infringement on the domain name registrant.³⁹ "NSI merely require[d] domain name applicants to represent that the name, to the best of Registrant's knowledge, does not interfere with, or infringe upon the rights of any third party."⁴⁰

Although the policy placed the burden on the registrant to check for possible trademark infringement, it was rarely done. Rather, many entrepreneurs, such as Joshua Quittner, seized this opportunity by buying corporate names with no intent to use them. These "cybersquatters" believed that trademark holders would pay a ransom for their domain names, and those without proper legal advice did pay during the infant stages of what has become a virtually global marketplace.

III. LEGAL REMEDIES FOR CYBERSQUATTING PRIOR TO THE ACPA

As mentioned in the introduction, cybersquatting surfaced when Joshua Quittner wrote his article about registering <http://www.mcdonalds.com>. The first-come, first-serve policy of NSI did not require a registrant to prove their rights to a particular name.⁴¹ Because of this policy, the registration of domain names became a speculator's delight. Cybersquatters targeted "famous trade names, trademarks, and service marks, banking on the hope that their rightful owners would rather pay them than engage in expensive and drawn-out litigation to protect and preserve the value of such names and marks."⁴² The most famous cybersquatters began collecting names like a child collects baseball cards.⁴³

However, not all cybersquatters avoided litigation. Companies with resources began challenging the cybersquatters in court under the theory of trademark infringement or dilution.⁴⁴ Before the enactment of the

38. Tanner, *supra* note 28, at 20. The \$70 registration fee covered two years. The registrant then had the option of renewing each year for \$35.

39. *Id.*

40. *Id.*

41. J.J. Disini, *What's in a Name?*, BUS. WORLD, Mar. 16, 2000, at 15.

42. *Id.* at 16.

43. The most famous cybersquatter is Dennis Toeppen, who will be discussed later in this section. He even established his own cybersquatting company. Toeppen has registered important corporate sites such as Delta Airlines, Neiman Marcus, Eddie Bauer, and Lufthansa. Today, many companies exist which sell registered domain names, such as <http://www.domainname.com>.

44. According to the Lanham Act, a trademark includes any word, name, symbol, or device, or any combination thereof—

Federal Dilution Statute in 1995, companies were forced to bring a trademark infringement claim to recover their domain name. An infringement claim "relies on the 'likelihood of confusion' standard."⁴⁵ If there is a likelihood of confusion or consumer deception, then there is an infringement.⁴⁶

The 'likelihood of confusion' standard requires a balancing test of different factors.⁴⁷ Typical factors include the type of mark, similarity of the marks, similarity of the parties' products or services, similarity of the parties' retail outlets and customers, similarity of advertising media used, defendant's intent, and actual confusion engendered by the parties' uses.⁴⁸

Before the Internet, "it was possible for confusingly similar marks to exist in different geographic areas without conflict of harm."⁴⁹ Take for example a sporting goods store located in Albany, New York named Mr. Goodsports. It would also be possible for a store in Dilley, Oregon to be named Mr. Goodsports. In this instance of concurrent use, the court typically awarded the mark to the first to use it in commerce because "[i]t is a well-established principle of trademark law that the exclusive right to a distinctive mark belongs to the party which first uses the mark in connection with its particular line of business."⁵⁰ For this reason, the Internet actually increased trademark litigation, as companies realized they shared their marks with others.

The second and slightly more effective type of claim brought was trademark dilution under Section 43(c) of the Lanham Act.⁵¹ This amendment to the Lanham Act was intended to protect "famous or dis-

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown. 15 U.S.C. § 1127 (1999).

45. STREET & GRANT, *supra* note 37, at 369.

46. *Id.*

47. The test is different depending on the Circuit you are located in.

48. STREET & GRANT, *supra* note 37, at 373-74.

49. *Id.* at 365.

50. Lucent Info. Mgmt. v. Lucent Tech., 186 F.3d 311, 319 (3d Cir. 1999) (Ackerman, J., dissenting).

51. 15 U.S.C. § 1127. Dilution is defined as the lessening of the capacity of the famous mark to identify and distinguish goods or services regardless of any likelihood of confusion, mistake or deception or the presence of any competition between the owner of the famous mark and the other party.

tinctive" marks.⁵² Dilution cases were classified into two different categories. The first was tarnishing, which occurs "when a famous mark is improperly associated with an inferior or offensive product or service."⁵³ The second type of dilution is blurring, which occurs "when a defendant uses a plaintiff's trademark to identify the defendant's goods or services, creating the possibility that the mark will lose its ability to serve as a unique identifier of the plaintiff's product."⁵⁴

The two most famous cybersquatting cases before the enactment of the ACPA and UDRP involved Dennis Toeppen, one of the most famous cybersquatters.⁵⁵ In *Intermatic, Inc. v. Toeppen*, the defendant registered the domain name "intermatic.com."⁵⁶ He then proceeded to leave a link on the website that read, "Champaign-Urbana Map Page/has moved to www.c-u.com."⁵⁷ The Intermatic company, a producer of electronic products, brought a trademark infringement and dilution claim against Toeppen.⁵⁸

In the trademark infringement claim, the court applied the seven factors of trademark infringement and found that there was a question of fact as to actual confusion.⁵⁹ Intermatic prevailed on the dilution claim as the court found that Toeppen's "conduct lessens the capacity of Intermatic to identify its goods to potential consumers who would expect to locate Intermatic on the Internet through the 'intermatic.com' domain name."⁶⁰

In *Panavision International v. Toeppen*, the defendant registered the domain name "panavision.com" with NSI and created a website with photographs of Pana, Illinois.⁶¹ Panavision, a California company and owner of the federal trademark Panavision, sued under the Federal Trademark Dilution Act of 1995 after Toeppen attempted to sell the trademark to Panavision for \$13,000.00.⁶² Toeppen argued that the California court did not have personal jurisdiction over him "because any

52. *Id.*; 15 U.S.C. § 1125(c)(1). There are eight criteria to determine whether the mark is "distinctive or famous."

53. *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1326 n.7 (9th Cir. 1998).

54. *Id.* at 1326.

55. *Id.* at 1316; *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996).

56. *Intermatic*, 947 F. Supp. at 1232.

57. *Id.* at 1232-33. Users that clicked this link were taken to a map of the Champaign-Urbana, Illinois area.

58. *Id.* at 1229-30.

59. *Id.* at 1234-36.

60. *Id.* at 1240.

61. *Panavision*, 141 F.3d at 1319.

62. *Id.*

contact he had with California was insignificant, emanating solely from his registration of domain names on the Internet, which he did in Illinois.”⁶³ He also argued that “his use of Panavision’s trademarks on the Internet was not commercial use and did not dilute those marks.”⁶⁴

The court was able to assert jurisdiction over Toeppen because he attempted to extort money out of Panavision in California.⁶⁵ Therefore, the court reasoned “[h]is acts were aimed at Panavision in California, and caused it to suffer injury there.”⁶⁶ The court also found that his acts were in commercial use, and that he diluted the Panavision trademark.⁶⁷

In both cases, the court determined that Toeppen’s mere registration of domain names was “use in commerce” regardless of whether anything significant appeared on his web pages.⁶⁸ These two decisions were significant victories in the litigation against cybersquatters because they penalized cybersquatters who owned the rights to a domain name and failed to use it in commerce. Cybersquatters who did not intend to establish a web page and merely registered with hopes of selling the page to the rightful trademark owner were no longer afforded this luxury.

Trademark infringement and dilution provided companies with legal weapons in the fight against cybersquatters. However, many companies were not able to bring forth claims because of jurisdictional problems, such as ones encountered in *Panavision*. In addition, many of the cybersquatters provided fictional names and/or addresses when registering the domain names, which prevented the application of the Lanham Act as it existed.

IV. ANTI-CYBERSQUATTING CONSUMER PROTECTION ACT

On November 29, 1999, the ACPA was enacted.⁶⁹ The ACPA design was:

to protect consumers and American businesses, [to] promote the growth of online commerce, and [to] provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the

63. *Id.* at 1318.

64. *Id.*

65. *Id.*

66. *Panavision*, 141 F.3d at 1318.

67. *Id.* at 1327.

68. *Id.* at 1325. The use in commerce requirement of the Lanham Act was an initial obstacle in Internet regulation when the squatter did not actively use the page.

69. 15 U.S.C. § 1125(d).

intent to profit from the goodwill associated with such marks - a practice commonly referred to as cybersquatting.⁷⁰

The anti-cybersquatting statute amended the Lanham Act by creating a specific claim of cybersquatting. The anti-cybersquatting statute allows for:

a civil action by the owner of a mark . . . if, without regard to the goods or services of the parties, that person—

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that—

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of Section 706 of Title 18, United States Code, or Section 220506 of Title 36, United States Code.⁷¹

The law also assists judges by listing nine factors which determine bad faith.⁷² The court may use the nine factors, but is not limited to them.

70. *Sporty's Farm, L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 495 (2d Cir. 2000).

71. 15 U.S.C. § 1125(d).

72. 15 U.S.C. § 1125(d)(B). The factors are:

- 1) the trademark or other intellectual property rights of the person, if any, in the domain name;
- 2) 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;
- 3) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- 4) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- 5) 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;
- 6) 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;
- 7) 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;

The statute also allows for damages from \$1000 to \$100,000, as well as attorney's fees.⁷³

The most important element of the ACPA is that it allows for in rem proceedings.⁷⁴ In rem proceedings literally mean action against a thing. The party bringing the action must "diligently" attempt to locate the cybersquatter.⁷⁵ If the cybersquatter cannot be found, an in rem proceeding may be brought in the district in which the name was registered.⁷⁶ This feature of the ACPA alleviates the problem of elusive cybersquatters who have continually moved or given fictitious addresses.

Since the ACPA was enacted, the courts have slowly developed case law to accompany the Act. The first appellate circuit to interpret the new law was the Second Circuit in *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*⁷⁷ In this case, Sportsman's Market federally registered the trademark "Sporty's" in correlation with its catalog business.⁷⁸ It used this federally registered trademark to sell pilot supplies, tools, and general merchandise.⁷⁹ Meanwhile, Sporty's Farm registered its website Sportys.com to sell Christmas trees, and brought a declaratory action against Sportsman's for the right to continue use of the website.⁸⁰ Sportsman's counterclaimed on grounds of trademark infringement and dilution.⁸¹ The district court granted injunctive relief to Sportsman's Market upon a showing of trademark dilution.⁸²

While the case was pending on appeal, the ACPA was enacted, and the Second Circuit asked the attorneys to file a supplemental brief to apply the ACPA.⁸³ The court found that the "Sporty's" mark was protected under the ACPA, and that there was "ample and overwhelming

8) 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

9) 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 section 43 [subsec. (c)(1) of this section].

73. 15 U.S.C. § 1125(d).

74. *Id.*

75. *Id.*

76. *Id.*

77. *Sporty's*, 202 F.3d at 489.

78. *Id.* at 494.

79. *Id.* at 493.

80. *Id.* at 494.

81. *Id.* at 492.

82. *Sporty's*, 202 F.3d at 492.

83. *Id.*

evidence that, as a matter of law, Sporty's Farm acted with a 'bad faith intent to profit' from the domain name sportys.com as those terms are used in the ACPA."⁸⁴ In determining "bad faith intent to profit," the Second Circuit examined only the first three "bad faith" factors and found "Sporty's" in violation of all three and stopped its analysis.⁸⁵ However, no damages were awarded in the case, as it was only at the injunction stage.⁸⁶

Recently, in *Shields v. Zuccarini*, the most damaging decision to date for cybersquatters, damages were awarded under the ACPA to a trademark holder.⁸⁷ In June of 1997, Shields registered the joecartoon.com website. The site is one of the most popular sites on the Internet featuring humorous animated cartoons such as "Frog Blender," "Micro-gerbil," and "Live and Let Die."⁸⁸ After the success of the website, John Zuccarini, a website wholesaler, registered the following variations of the site in November 1999: "joescartoon.com," "joescarton.com," "joes-cartons.com," "joescartoons.com," and "cartoonjoe.com."⁸⁹

Shields was the first case to have a claim brought and decided under the ACPA. The court applied a three-part test to determine validity under the ACPA.⁹⁰ The three part test considered whether: 1) if it was a famous or distinctive mark entitled to protection; 2) the registered domain names were "identical or confusingly similar to" joecartoon.com; and 3) whether there was a bad-faith intent to profit from them.⁹¹

Under the famous or distinctive prong of the test, the court examined seven factors to inspect when determining the validity of the claim.⁹² The seven factors are:

- 1) the degree of inherent or acquired distinctiveness of the mark;
- 2) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

84. *Id.* at 499.

85. *Id.* at 498-99.

86. *Id.* at 501.

87. *Shields v. Zuccarini*, 89 F. Supp. 2d 634 (E.D. Pa. 2000).

88. *Id.* at 635.

89. *Id.* A wholesaler is somebody who acquires multiple domain names with the intent to profit from them. Zuccarini is reputed to have over three thousand domain names and specializes in misspellings of both famous people and websites. By misspelling the website, the Internet user is tricked into viewing the mistaken site. Many of these mistaken sites are loaded with ads, which the owner of the website profits on every time they are clicked on. *Id.* at 640.

90. *Id.* at 638-41.

91. *Id.* at 638-40.

92. *Shields*, 89 F. Supp. 2d at 638-39.

- 3) the duration and extent of advertising and publicity of the mark;
- 4) the geographical extent of the trading area in which the mark is used;
- 5) the channels of trade for the goods and services with which the mark is used;
- 6) the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; and
- 7) the nature and extent of use of the same or similar marks by third parties.⁹³

The court found that "there is overwhelming evidence that Zuccarini acted with a bad-faith intent to profit when he registered these five domain names."⁹⁴ As a result, the court concluded that Shields would be "irreparably harmed" if the injunction was not granted, and awarded him the minimum damages of \$1000.00.⁹⁵

The sports industry has been proactive in taking advantage of this new weapon in its legal chest. In 1992, the four major sports leagues and the Collegiate Licensing Company formed the Coalition to Advance the Protection of Sports Logos (CAPS).⁹⁶ Originally, CAPS was instituted to wage war on unlicensed products, which helped eliminate unlicensed products worth in excess of \$105 million.⁹⁷ With cybersquatting on the rise and the implementation of the ACPA, CAPS has now focused attention on cybersquatters.⁹⁸

The first action CAPS brought was in late 1999 against Jeff Bugar, another well-known cybersquatter, who registered names such as "chargers1.com," "redskins1.com," and "goclipppers.com."⁹⁹ The action "resulted in the transfer of 175 domain names and a \$16,000.00 penalty against Bugar"¹⁰⁰

In January of 2000, CAPS brought another action against Onsite Solutions, Inc.¹⁰¹ Onsite Solutions, a domain-name transfer company, had registered names such as "theorlandomagic.com" and "thewhitesox.

93. *Id.*

94. *Id.* at 640.

95. *Id.* at 641-43.

96. Clifton Brown, *Pro Leagues Unleash Full-Court Press on Cybersquatters*, CORP. LEGAL TIMES, Dec. 2000, at 6.

97. *Id.*

98. *Id.*

99. *Id.* at 7.

100. *Id.*

101. *Id.*

com.”¹⁰² The action resulted in the transfer of seventy-six domain names and a \$2000.00 penalty against the company for the money earned on the sale of “thedolphins.com.”¹⁰³

Independent of CAPS, the National Football League (NFL) and the New York Yankees have both filed actions under the ACPA. On December 9, 1999, the NFL brought suit against Ken Miller, a fan who operated the websites “NFLtoday.com,” “NFLtoday.org,” and “NFLtoday.net.”¹⁰⁴ The websites were intended to provide betting information on the NFL games and provide links to electronic bookies.¹⁰⁵ The NFL was seeking injunctive relief, transfer of domain name registrations, and unspecified damages.¹⁰⁶ The suit makes claims under the ACPA, the Copyright Act, New York’s General Business Law, and the state’s Anti-Dilution Statute.¹⁰⁷ The complaint alleges “NFLtoday.com is a website that represents the epitome of cyberpiracy, trademark infringement, dilution and copyright infringement . . . [t]hrough its massive unauthorized use of NFL and Member Club trademarks, NFL Today is falsely affiliating itself with the NFL and tarnishing the NFL’s goodwill.”¹⁰⁸

Miller filed a motion to dismiss, alleging that any court in the state of New York did not have jurisdiction over him.¹⁰⁹ His complaint was dismissed because while:

one does not subject himself to the jurisdiction of the courts in another state simply because he maintains a web site which residents of that state visit . . . one who uses a website to make sales to customers in a distant state can thereby become subject to the jurisdiction of that state’s courts.¹¹⁰

Therefore, the court found that Miller, who generated income from his websites, was subject to jurisdiction in New York.¹¹¹ Currently, this case is unresolved as Miller continues his uphill battle against the NFL.

102. *Id.*

103. *Id.*

104. *Trademarks: NFL v. Miller*, 17 COMPUTER & ONLINE LITIG. REP. 8, 9 (Jan. 18, 2000). Miller was operating his sites as gambling sites that offered tips on betting on NFL games. The NFL has long abhorred gambling, so it is no surprise that the NFL would go after such a site.

105. *National Football League v. Miller*, 54 U.S.P.Q.2d 1574, 1575 (S.D.N.Y. 2000).

106. *Trademarks: NFL v. Miller*, *supra* note 104, at 10.

107. *Id.* at 9.

108. *Id.*

109. *Miller*, 54 U.S.P.Q.2d at 1574-75.

110. *Id.* at 1575.

111. *Id.* at 1576.

In January of 2000, the New York Yankees of Major League Baseball (MLB) sued one of their fans for registering newyorkyankees.com.¹¹² The Yankees operate their official site at yankees.com.¹¹³ According to the complaint, Brian McKiernan, a forty-one year old Yankees fan, registered the site in June of 1997, because he thought it would be a fun site for his kids, and he could possibly develop it into a fan site.¹¹⁴

Upon learning of the registration, the Yankees contacted McKiernan. According to the Yankees, McKiernan wanted \$25,000.00 from the Yankees for the website.¹¹⁵ The Yankees countered with \$450.00 and tickets to two games.¹¹⁶ When McKiernan did not respond to the offer, the Yankees called him on December 23, 1999, and told him he had an hour to accept the offer or they would file suit.¹¹⁷ According to McKiernan, he "feel[s] like they're trying to give [him] a black eye and make [him] look like a criminal."¹¹⁸

Clearly in the *Miller* and *McKiernan* cases, applying the ACPA would award the domain name back to the NFL and the Yankees. Under the three-part test set out in *Shields*, clearly Miller's and McKiernan's registered domain names were famous or distinctive, were confusingly similar, and both had a bad-faith intent to profit from registration.

Under the famous or distinctive prong, any person owning a team or league name, or variation thereof, will always lose. Professional sports leagues and franchises are very popular world-wide and are in continuing use, so the courts will always find that the NFL and the New York Yankees are famous or distinctive. This view is best articulated by the words of Ethan G. Orlinsky, Vice-President and General Counsel of Major League Baseball Properties, commenting on the McKiernan case, "The New York Yankees Major League Baseball team has been using 'New York Yankees' on a consistent basis since the early 1900s and would like to use that domain name as a way for the fans to connect with them."¹¹⁹

112. Neil MacFarquhar, *Those Dominant Yankees Fight for a Domain Name*, N.Y. TIMES, Jan. 6, 2000, at B3.

113. *Yankees 2001*, at <http://www.yankees.com> (last visited Feb. 20, 2001).

114. MacFarquhar, *supra* note 112, at B3; *Scorecard*, SPORTS ILLUSTRATED, Jan. 17, 2000, at 23.

115. MacFarquhar, *supra* note 112, at B3.

116. *Id.*

117. Mary Huhn, *Yanks Sue Qns. Fan; Boss Wants His Website*, N.Y. POST, Dec. 29, 1999, at 34.

118. Tara Yaekel, *Red Sox Fan Goes to Bat for Yankees Website*, BOSTON GLOBE, Jan. 6, 2000, at B1.

119. Brown, *supra* note 96, at 7.

The websites in question are also confusingly similar. In *Miller*, the defendant directly used the NFL name in his websites, and an NFL fan could easily be confused into thinking that the sites were somehow affiliated with the NFL. In *McKiernan*, the website "newyorkyankees.com" could easily be thought of as the official address of the New York Yankees. Many MLB teams, including the cross-town rival Mets, use their city name in their official website.¹²⁰

A bad-faith intent to profit can be shown in both cases. In *Miller*, he is already profiting from the use of the NFL name. He made a substantial amount of money from advertisers, particularly on-line gambling sites, who were profiting on his use of the NFL name. In addition, he asked for \$120,000.00 for the websites.¹²¹ In *McKiernan*, this element is much simpler. According to the Yankees, he tried to collect \$25,000.00 from the Yankees as ransom, so clearly he had a bad-faith intent to profit, despite his assertion that it "might be fun for his kids."

Although the NFL and the Yankees brought litigation against two fans, it was not the only alternative they had to recapture a rightful domain name. They could have stayed out of court through the use of an arbitration procedure established at roughly the same time as the ACPA.

V. ICANN UNIFORM DISPUTE RESOLUTION PROCESS

In addition to the ACPA, there is an alternative remedy for trademark holders in disputes against cybersquatters. As mentioned in Section III of this Comment, the NSF assigned domain name registration to Network Solutions, Inc. This contract ran from 1993 to 1998.¹²² After the expiration of the contract, the government decided that it wanted to remove itself from Internet domain name registration and open it up to competition.¹²³ As a result of a government study, the Statement of Policy on the Management of Internet Names and Addresses ("The White Paper") was published on June 5, 1998.¹²⁴ The White Paper called for the privatization of the Domain Name System (DNS) "in a manner that

120. The Mets official web site is <http://www.newyorkmets.com>, although they also use <http://www.mets.com>. It is necessary for teams such as the Milwaukee Brewers to use their city names in official web site addresses because others may be entitled to a domain name such as <http://www.brewers.com>.

121. Peter DeLevett, *NFL Sues Over Website Name*, 17 Bus. J. 35, 50 (1999).

122. STREET & GRANT, *supra* note 37, at 388.

123. *Id.* at 385.

124. *Id.*

allows for the development of robust competition and that facilitates global participation in Internet management.”¹²⁵

As a result, the government created the Internet Corporation for Assigned Names and Numbers (ICANN) to take over the DNS.¹²⁶ ICANN quickly established a test process whereby five companies were allowed to register names along with NSI.¹²⁷ As part of allowing companies to become domain name registrars, ICANN made a crucial decision to implement a dispute resolution process.¹²⁸ When NSI was responsible for the registrations, their policy in disputes between domain name holders and trademark owners was to use an “on-hold” procedure, where neither party could use the domain name until the dispute was resolved either amicably or judicially.¹²⁹ ICANN realized that different registrars could take different stances on dispute resolution, so they established the ICANN policy.¹³⁰ Now both parties need to agree with the policy before becoming a registrar or registrant.¹³¹

The policy went into effect on January 1, 2000. The Uniform Dispute Resolution Process (UDRP) was designed specifically to combat cyber-squatting.¹³² Only a trademark owner can initiate a UDRP proceeding, and the complaint is served on the alleged squatter and the provider of the domain name.¹³³ The complaint must allege three things: (i) the registrant’s domain name is “identical or confusingly similar” to a mark belonging to the complainant; (ii) the registrant has no “rights or legitimate interests” in the domain name; and (iii) the registrant registered and uses the domain name in bad faith.¹³⁴

The UDRP also includes four examples of “bad faith” registration. They are:

125. *United States Department of Commerce: Management of Internet Names and Addresses*, available at http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm (last visited Feb. 20, 2001).

126. Ian Jay Kaufman, *ICANN, WIPO Address Domain Names*, N.Y. L. J., Jan. 18, 2000, at S5.

127. STREET & GRANT, *supra* note 37, at 388.

128. *Id.* at 389.

129. *Id.* at 392-93.

130. UDRP, *supra* note 12.

131. *Id.*

132. *Id.*

133. *Id.* ICANN: *Approved Providers for Uniform Domain Name Dispute Resolution Policy*, available at <http://www.icann.org/udrp/approved-providers.htm> (last visited Feb. 20, 2001). Currently there are only three approved arbitrators of domain name disputes. The three are: 1) Disputes.org/eResolution Consortium; 2) The National Arbitration Forum; and 3) World Intellectual Property Organization.

134. UDRP, *supra* note 12.

- (i) the registrant's primary purpose in registering the domain name was for the purpose of selling, renting, or otherwise transferring the domain name registration;
- (ii) the cybersquatter registered a trademark to prevent the rightful owner from registering the domain name and has engaged in a "pattern" of registration;
- (iii) the registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; and
- (iv) the registrant has used the domain name to attract Internet users by creating a likelihood of confusion with complainant's mark.¹³⁵

The UDRP further outlines defenses to a domain name dispute. A registrant can have a "right or legitimate interest" in a domain name if the registrant can establish:

- (i) he or she used the domain name in connection with a "bona fide offering of goods or services" before receiving notice of the dispute;
- (ii) he or she has been commonly known by the domain name, even without trademark or service mark rights; or
- (iii) he or she is making a "legitimate noncommercial or fair use" of the name with no intent of commercial gain, misleading or diverting consumers, or tarnishing the name.¹³⁶

The World Wrestling Federation (WWF) was the first arbitration decision under the new ICANN policy.¹³⁷ The WWF went to the mat against Michael Bosman, who registered the domain name www.worldwrestlingfederation.com on October 7, 1999.¹³⁸ Three days later, Bosman contacted the WWF via email and "stated that his primary purpose in registering the domain name was to sell, rent or otherwise transfer it to complainant for a valuable consideration in excess of respondent's out-of-pocket expenses."¹³⁹ The decision was relatively easy for World Intellectual Property Organization (WIPO), the arbitrator, because clearly, there was a "bad-faith" intent to profit off the registration.

135. *Id.* This section also mentions that the "bad faith" requirement is not limited to these four factors.

136. *Id.*

137. ICANN: *List of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, available at <http://www.icann.org/udrp/proceedings-list.htm> (last visited Feb. 20, 2001) [hereinafter *UDRP Proceedings*]. The WWF commenced the action of December 9, 1999, in anticipation of the January 1, 2000, implementation date.

138. World Wrestling Fed'n Entm't. v. Bosman, No. D99-0001, available at <http://arbitrator.wipo.int/domains/decisions/html/1999/d99-0001.html> (last visited Feb. 20, 2001).

139. *Id.*

However, the WIPO Center emphasized in its decision that “the name must not only be registered in bad faith, but it must also be used in bad faith.”¹⁴⁰ This posed an interesting dilemma because Bosman had never used the website. To get around this issue, the WIPO Center looked at the intent of the policy and also relied on Paragraph 4(b)(i) of the policy, and ruled that “[b]ecause respondent offered to sell the domain name to complainant ‘for valuable consideration in excess of’ any out-of-pocket costs directly related to the domain name, respondent has ‘used’ the domain name in bad faith as defined in the Policy.”¹⁴¹

The case was decided on January 15, 2000, by the WIPO Center; shortly thereafter, other cases were decided. To date, thousands of cases have been brought before the arbitrators, and most have resulted in the name being transferred to the rightful owner.¹⁴²

On March 13, 2000, the NFL also commenced an arbitration proceeding under the UDRP for the rightful return of its franchises’ domain names.¹⁴³ The Cardinals, Packers, Jaguars, Chiefs, and Eagles had thirteen variations of their team names registered by Rusty Rahe between 1997 and 1998.¹⁴⁴ Rahe claimed “that the purpose of his registering the Original Domain Names was the non-commercial education of his children Jordan and Alexa about the Internet.”¹⁴⁵ Rahe placed minimal content on the sites, and provided links to the official team sites from the pages.¹⁴⁶

The arbitrator found that the thirteen domain names were (a) “identical with and confusingly similar to Complainants’ marks; (b) that Respondent has no rights or legitimate interest in the domain names; and (c) that Respondent register[ed] and use[d] the domain names in bad faith.”¹⁴⁷ The decision awarded the thirteen domain names to the respective teams, and “encourage[d] [Rahe’s] children Jordan and Alexa to continue using and learning about the Internet.”¹⁴⁸ This decision was a major victory for professional sports franchises attempting to recover domain names from cybersquatters.

140. *Id.*

141. *Id.*

142. UDRP Proceeding, *supra* note 137.

143. *Id.*

144. NFL Props. v. Rahe, No. D2000-0128, *available at* <http://arbiter.wipo.int/domains/decisions/html/d2000-0128.html> (last visited Feb. 20, 2001).

145. *Id.*

146. *Id.*

147. *Id.*

148. *Id.*

In a separate case, the Carolina Panthers, in conjunction with NFL Properties, filed for an arbitration hearing regarding the registration of the name "carolinapanthers.com."¹⁴⁹ The facts of the case are interesting because the Complainants encountered problems trying to locate the Respondent. In April of 1998, the Panthers sent a letter to the purported owner of the domain name in Stockholm, Sweden stating "that Respondent's registration and use of carolinapanthers.com violated Complainants' legal rights, and demanded that [the domain holder] agree to transfer the registration and ownership of the domain name to the Panthers."¹⁵⁰

The letter was sent via Federal Express, but after repeated attempts, Federal Express informed the Panthers that no such address existed.¹⁵¹ After unsuccessful contact, the Panthers contacted NSI and implemented the existing dispute resolution process.¹⁵² However, due to NSI's inability to contact the purported owner, the Panthers were unable to settle the dispute, and the domain name was given a status of "on-hold."¹⁵³

After ICANN established the UDRP, the NFL and the Panthers re-instituted the action. The Respondent never replied to the request for arbitration, so the proceedings went on without him to determine the validity of the Panthers' claim.¹⁵⁴ As expected, the domain name was found to be identical or confusingly similar to the Panthers' trademark, and the respondent had no legitimate rights or interest in the name and used it in bad faith.¹⁵⁵

VI. COMPARISON AND ANALYSIS OF THE ACPA AND UDRP

Professional sports franchises can litigate under the ACPA, or arbitrate under the UDRP, in the war against cybersquatters. However, which one will be applied more often? Early indications are that the ICANN arbitration process will be applied far more frequently because it costs less, is quicker, and has a greater international context.

149. NFL Props. v. BBC Ab, No. D2000-0147, *available at* <http://arbiter.wipo.int/domains/decisions/html/d2000-0147.html> (last visited Feb. 20, 2001).

150. *Id.*

151. *Id.*

152. *Id.*

153. *Id.* A status of "on-hold" under the old dispute resolution policy meant that no user of the Internet was permitted to access the website; rather, when the domain name was typed into a browser, an error message would appear.

154. BBC Ab, No. D2000-0147 *at* <http://arbiter.wipo.int/domains/decisions/html/d2000-0147.html>.

155. *Id.*

The UDRP has administrative fees that are paid by the complainant.¹⁵⁶ The cost is approximately \$750.00 to \$1000.00 to go through the arbitration process.¹⁵⁷ Another money-saving feature of the UDRP is that the procedure is designed to take place on-line, and no in-person hearings are permitted except in exceptional circumstances.¹⁵⁸ By contrast, a claim brought under ACPA litigation requires more capital by the franchise because it will be responsible for attorney and filing fees, which will certainly exceed the \$1000.00 required by the UDRP. In addition, large damage awards seem highly unlikely under the ACPA. In *Shields*, the minimum amount of damages (\$1000.00) allowable under the statute was awarded.¹⁵⁹ Certainly, Mr. Shields spent more than \$1000.00 litigating a case of first impression.

Another notable feature of the UDRP is its expediency. The procedure is designed to take less than forty-five days.¹⁶⁰ Some decisions have taken a little longer than the forty-five day time frame, but most have been commenced and finished within the forty-five day window.¹⁶¹ This pales in comparison with the normal length of litigation. For example, the *Sporty's* case began in March of 1998.¹⁶² During a two-year period, the website was non-functional. In the case of a professional sports franchise, two years of non-functionality is an eternity, given the constantly changing nature of professional sports franchises.

The third early advantage of the UDRP are the international possibilities. UDRP decisions are recognized worldwide, eliminating jurisdictional problems of foreign defendants under the ACPA. This is clearly evidenced by the Carolina Panthers case in which the team reacquired the domain name "carolinapanthers.com" from an unknown foreign owner.

In addition, Canada and Europe do not have any laws similar to ACPA, so trademark owners must sue under theories of trademark infringement, trademark dilution, or unfair competition.¹⁶³ Although

156. ICANN: Rules for Uniform Domain Name Dispute Resolution Policy, <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (last visited Feb. 20, 2001) [hereinafter *UDRP Rules*].

157. Joe Borders, *New Process Can Dislodge Cybersquatters*, available at <http://www.texlaw.com/today00/icann0314.htm> (last visited Feb. 20, 2001).

158. UDRP Rules, *supra* note 156.

159. *Shields*, 89 F. Supp. 2d at 643.

160. UDRP Rules, *supra* note 156; *UDRP*, *supra* note 12.

161. Borders, *supra* note 157.

162. *Sporty's*, 202 F.3d at 492.

163. Katarzyna A. Buchen & Brian T. Belowich, *Global Anti-Cybersquatting*, NAT'L L. J., Mar. 13, 2000, at B7.

these theories are strong, none are as scathing as legislation similar to the ACPA. "[U]ntil anti-cybersquatting legislation is enacted in Canada and Europe, the UDRP procedure may be the only true mechanism by which to enforce the rights of Canadian and European trademark owners and to prevent and deter cybersquatting abroad."¹⁶⁴

VII. INTERNET POLICIES OF THE FOUR MAJOR SPORTS

A. NBA: *Laissez-Faire in the Global Marketplace*

The National Basketball Association (NBA) has not brought an action under either the ACPA or the ICANN policy to obtain a domain name from a cybersquatter. When the Internet first became popular, the NBA cracked down on fan sites, restricting access to logos and pictures.¹⁶⁵ However, now the NBA has taken a "laissez-faire" approach, realizing that fans talking about the game are good for the sport. The NBA is even helping some of the fan sites receive more access to NBA-only sections of the league web page.¹⁶⁶ In addition, in typical NBA form, it's been the trendsetter by planning to launch five international versions of NBA.com.¹⁶⁷ They hope that the international presence will extend the marketing arm of the NBA.¹⁶⁸

The NBA also tried to get a jump on the other leagues with the addition of NBA.com television.¹⁶⁹ It is a cable channel available to DirecTV subscribers featuring highlights of recent games, as well as statistics and classic footage.¹⁷⁰ NBA.com television could change the face of sports, as the NBA plans to digitize its entire library of games from the past fifty-five years.¹⁷¹ This would enable a user to pull out any video clip of their favorite player or team.¹⁷²

B. NFL: *Actively Taking Cybersquatters Out of the Game*

By contrast, the NFL was one of the first to mount an ACPA challenge when they filed suit in U.S. District Court in New York against

164. *Id.*

165. David King, *Dot.squatters Law Doesn't Hamper All*, SAN ANTONIO EXPRESS-NEWS, Jan. 16, 2000, at 4C.

166. *Id.*

167. Liz Mullen, *NBA Forsees Global Offshoots for Web Site*, SPORTS BUS. J., Feb. 28-Mar. 5, 2000, at 4.

168. *Id.*

169. Daniel Roth, *The NBA's Next Shot*, FORTUNE, Feb. 21, 2000, at 207.

170. *Id.* at 210.

171. *Id.* at 208.

172. *Id.* at 210.

Ken Miller and his NFL Today websites.¹⁷³ The NFL offered him \$270.00 for the domain names; he countered with \$120,000.00.¹⁷⁴ In addition, the NFL scored the biggest victory against cybersquatters when they recovered thirteen domain names held by a cybersquatter under the UDRP process.¹⁷⁵ The NFL has been active under the UDRP, as they filed a complaint requesting thirteen domain name transfers via five different teams.¹⁷⁶

The NFL.com website is the second most popular sports site behind ESPN.com.¹⁷⁷ The NFL is currently trying to become a pioneer in the wireless market.¹⁷⁸ People with pagers, wireless-enabled cell phones, and personal assistants are able to access scores and headlines from NFL.com with the touch of a button.¹⁷⁹ This is helpful to fans who do not have access to a computer or television on Sunday afternoons, and is viewed as a progressive approach to the future of the Internet.

C. MLB: Commissioner Selig Wants to be Pete Rozelle

Like the NFL, the Yankees of MLB have filed suit under the ACPA.¹⁸⁰ MLB has also attempted to take a proactive approach to the explosive growth of the Internet. The owners voted "to centralize all Internet rights under the Office of Commissioner."¹⁸¹ This vote means that all teams will divide the revenue generated from the Internet, as every team's website will be integrated into the MLB website.¹⁸² Commissioner Selig views baseball and the Internet as having the same importance that television gave the NFL in the 1960s.¹⁸³ This could be significant in solving some of the inequities in baseball between the large and small market teams. However, for right now, the combined revenue

173. MacFarquhar, *supra* note 112.

174. DeLeve, *supra* note 121, at 50.

175. *BBC Ab*, No. D2000-0147 at <http://arbiter.wipo.int/domains/decisions/html/d2000-0147.html>.

176. *UDRP Proceeding*, *supra* note 137.

177. Tom Hoffarth, *Cybersports; It's Red, White and Blue All Over the Net*, DAILY NEWS (Los Angeles), Dec. 11, 2000, at S3.

178. *Id.* The wireless market will become increasingly important to teams and leagues marketing to consumers. The wireless market consists of devices such as pagers, wireless-enabled cell phones, and palm pilots.

179. *Id.*

180. Huhn, *supra* note 117, at 34.

181. Hal Bodley, *Deep-Pocket Teams Strangely Silent During Vote on Selig's Power*, USA TODAY, Jan. 21, 2000, at 11C.

182. *Id.*

183. *Id.*

of all the major league websites in 2000 was a projected \$50 million, but this number is expected to be \$1 billion a year in five years.¹⁸⁴

MLB also took a major step this past summer by acquiring the domain name "MLB.com."¹⁸⁵ Previously, baseball had the longer address "majorleaguebaseball.com," which was difficult for fans to remember. However, the name was not owned by a cybersquatter, rather it was owned by the law firm of Morgan, Lewis & Bockius, which handled the labor talks in the 1994 negotiations.¹⁸⁶ The law firm handed over the domain name to MLB free of charge.¹⁸⁷

D. NHL: From Worst to First

The National Hockey League (NHL) has not filed an action under the ACPA or UDRP. Currently, the NHL website is easily the worst of the four major sports because it is difficult to navigate and does not offer nearly as many interactions as the NBA, NFL, or MLB. However, the NHL is planning to relaunch its website to become "a global hockey portal."¹⁸⁸ The plans are to create more fan interaction by increasing the amounts of surveys, chats, and emails.¹⁸⁹ In an unprecedented move, the NHL is also planning to allow independent news agencies to post stories on its website.¹⁹⁰ The NHL has also proposed a new Internet policy that would integrate the individual team sites into the NHL.com website.¹⁹¹ Currently the "NHL.com" website produces "its own version of team web sites, which are separate from the official team sites controlled by each franchise."¹⁹² The NHL is hoping that the changes will make its website competitive with the other three major professional leagues.

VIII. PROTECTING FRANCHISES IN THE INTERNET AGE

Professional sports are an ever-changing landscape. A mere ten years ago, the Internet was a rumor. Now the Internet keeps fans

184. Alan Schwarz, *Big Leagues' Net Bet*, NEWSWEEK, Oct. 2, 2000, at 74D.

185. Timothy J. Mullaney, *Switch Hit for a Domain Name*, BUS. WK., Nov. 20, 2000, at EB14.

186. *Id.*

187. *Id.*

188. Noah Liberman, *NHL.com Builds 2-Way Street*, SPORTS BUS. J., Feb. 28-Mar. 5, 2000, at 4.

189. *Id.*

190. *Id.* The move is unprecedented because the other three sports leagues "spin" their own stories, which would never cast the league in a negative light.

191. Andy Bernstein, *NHL Proposal Wires Team Webs Together in Network*, 18 BUS. J. 23 (2000).

192. *Id.*

abreast of the latest action regarding his or her team both on and off the field. Unfortunately for franchises, when in the wrong hands, the Internet can do more harm than good.¹⁹³ Therefore, teams must develop an Internet presence by implementing an Internet program to keep cybersquatters from damaging the reputation and integrity of professional franchises. This can be done by: 1) educating themselves about the two new policies; 2) registering every possible variation of its name, including international domains; 3) lobbying ICANN to develop an intent-to-use domain name registration; and 4) encouraging fan sites.

A. Learning the ACPA and UDRP Inside and Out

Before implementing any policy regarding the Internet and the use of domain names, teams must be aware of the ACPA and UDRP because these laws are developing daily. The ACPA will be slower to develop case law because a decision takes more time, but it needs to be monitored for any change in the case law. The UDRP is easy to track because the whole process is fully online, allowing for franchises to track the developing arbitration decisions.¹⁹⁴

Monitoring the developing law is not sufficient for professional sports franchises. They must also monitor developments in web technology. The Internet as we know it did not even exist a mere ten years ago, so teams must remain current with this rapidly developing technology. This can be done by communicating with fellow league members, as well as members of other leagues. In today's global economy, this means communication among franchises must take place internationally because of the existence of over 240 general TLDs.

B. Register, Register, and then Register Again

The only sure way to combat cybersquatting is to beat the squatters to the punch and register all possible combinations of your team name, nickname, and stadium. A study by Nameengine.com "shows that 265 of the Fortune 500 companies own fewer of their own domain names than have been registered by other parties, and that only 163 of them actually own a majority of the registrations of their own name."¹⁹⁵ This means

193. The possibilities are endless for cybersquatters. A common practice is using a squatted domain name to establish a pornographic website which is a big moneymaker for the owner. Imagine a child's surprise attempting to locate the Toronto Maple Leafs' site, and instead finding inappropriate material.

194. All the decisions are listed on <http://www.icann.org>.

195. *Majority of Fortune 500 Have More of Their Domain Names Pirated than they Actually Own*, BUS. WIRE, Mar. 2, 2000, at 1.

that many companies are not adequately protecting or policing their names. Franchises must register in as many countries as possible as a preventative measure, because it is shown "that it [is] at least [two hundred] times cheaper to prevent than to cure."¹⁹⁶

Recently, Andersen Legal and NSI teamed up to combat global cybersquatting by offering a single resource to register domain names worldwide.¹⁹⁷ NSI will combine its popular idNames service, which caters to corporate customers, with the legal expertise of Andersen Legal.¹⁹⁸ "Users of the service will contact idNames or an Andersen Legal network member office to identify countries where they need a local presence to register a domain name."¹⁹⁹ The service will allow for registration in countries where registration is not as simple as filling out an online questionnaire.²⁰⁰ Although this service would seem to be inappropriate for most professional franchises because of the large amount of capital outlay, all four major sports leagues should be aware of such services to protect their league members as the popularity of professional sports in the United States spreads globally.

C. Lobby ICANN to Develop an Intent to Use Provision

While there is definitely a need for a service such as the one Andersen Legal and NSI are providing, ICANN needs to further develop international registration policies. In the United States, when registering a trademark with the Patent and Trademark Office, it is possible to file an intent to use (ITU) trademark, which allows the holder to protect future registrations that are not yet implemented.²⁰¹ ICANN needs to implement some type of intent to use domain name registration. Currently there are well over two hundred countries that have generic TLDs, and to register in each country would be very expensive. By implementing an ITU application process, franchises can be protected at a slighter cost, and ICANN will have fewer disputes over registrations.

196. *Id.* at 2.

197. *Network Solutions' idNames and Andersen Legal Sign Agreement to Address Off-shore Cybersquatting*, BUS. WIRE, Mar. 15, 2000, at 1 [hereinafter *Network Solutions*].

198. Andersen Legal is the global legal services network associated with Andersen Worldwide SC.

199. *Network Solutions*, *supra* note 197.

200. *Id.* For example, in Germany, a local address and administrative contact needs to be set up before a German website can be registered; China requires that a company is incorporated in either China or Hong Kong.

201. 15 U.S.C. § 1051 (1999).

D. Encourage Fans, But Do Not Let Them Disparage

Once again, the NBA seems to be ahead of its counterparts in the marketing department. The NBA's "laissez-faire" approach is very appropriate. There is a glut of "unofficial" fan sites for every team. A simple search on Yahoo gave a list of twenty-six fan pages for the Green Bay Packers. There are also four pages of anti-Packer pages maintained by fans of division rivals such as the Lions, Vikings, and Bears. Each page adds to the excitement of the league, including the anti-Packer pages, which are maintained with a sense of humor. However, this does not mean franchises should be unaware of such fan pages. They must continually monitor fan pages, particularly ones such as the anti-Packer pages, to ensure that the sites do not disparage the team to the extent where legal action would be appropriate.

IX. CONCLUSION

As the 21st century progresses, the Internet will become an even more important part of marketing for professional sports franchises. Already many sites offer tickets for sale online, and the more popular teams such as the Yankees, Cowboys, and Packers have begun to charge fans for exclusive "insider" features. The Internet has become a legitimate source of revenue; franchises must protect that interest by implementing an Internet plan while keeping an eye on the developing cybersquatting laws being shaped by the ACPA and UDRP.

It is imperative that teams do research and find which of their domain names are being used by cybersquatters. The only way to eradicate this widespread practice is if franchises initiate actions against cybersquatters using their domain names. If the franchise has not been damaged, the UDRP is a cost-effective approach for a professional franchise attempting to retain its domain name, and probably will result in a name transfer. If the franchise has been significantly financially damaged, the ACPA might be more appropriate. Teams that fail to take cybersquatters out of the game will be left behind, while teams implementing a plan to combat cybersquatting will ensure a powerful presence on the Internet.

CRAIG A. PINTENS