I. Introduction

This report summarizes the principal developments in calendar year 2000 relating to treaties, international agreements, and judicial decisions affecting international intellectual property rights. Highlighted below are the Patent Law Treaty; the Patent Cooperation Treaty; the European Patent Convention; the European Union Copyright Directive; the new EU Design Right; U.S. Accession to the Madrid Protocol; decisions by the World Trade Organization, European Court of Justice, and the European Patent Court; developments at the Internet Corporation for Assigned Names and Numbers (ICANN); and recent U.S. court decisions relating to jurisdiction in cyberspace and Internet domain names.

II. Treaties and International Agreements

A. Patent Law Treaty

In June 2000, forty-four countries, including the United States adopted the Patent Law Treaty. Developed by the World Intellectual Property Organization (WIPO), the Patent Law Treaty represents more than fifteen years of international efforts to attain harmonization in the domestic patent laws of various countries. Those efforts were originally aimed at the implementation of uniform substantive standards of patentability; but, when that proved impossible, international discussions moved toward the attainment of harmony in administrative and procedural aspects of the patent application and prosecution process in various patent offices around the world.

The Patent Law Treaty provides uniform standards to simplify the filing and prosecution of patent applications in Member States. The Treaty minimizes the requirements for obtaining a filing date; eliminates many procedural difficulties with translations, certifications, and fee payments; ensures adequate time limits for responses to office actions; and introduces other procedural benefits.

A key provision of the Patent Law Treaty guarantees the ability to restore the benefit of priority if the application was filed within two months after the expiration of the priority year and such failure to meet the priority date occurred in spite of all due care required by the circumstances having been taken or, at the option of the contracting party, was unintentional.

One issue that received widespread press coverage involved a protest by Colombia, joined by most of the Latin American countries, who asserted the right to be compensated for use of their natural resources, especially plants, and other "traditional knowledge" sources incorporated in biogenetic patents. These countries sought to include a provision in the Patent Law Treaty requiring, as part of the patent application process, a statement that the applicant obtained the original "starting material" with the originating country, where failure to obtain the proper consent would nullify the patent. The United States and other developed countries made it clear that such a provision would kill any chance for adoption of the Patent Law Treaty, and the Latin American countries ultimately waived their demand in return for assurances that their concerns would receive further attention by WIPO and other countries.

Developing countries also opposed the efforts of the United States to expedite acceptance of electronic filing, especially for certain types of applications, such as "jumbo applications" containing gene sequencing pages and other very large computer applications. These countries, represented principally by Egypt, opposed hastening the time of electronic filing because of their lack of necessary technical resources. A compromise was reached under which all communications on paper must be accepted for five years, after which any contracting party may exclude acceptance of paper communication except for obtaining a filing deed or meeting a deadline, provided that where the receiving or processing of a paper communication is deemed impractical due to its character or size, a contracting party may require the filing of that communication by other means of transmittal.

One of the major procedural issues at the diplomatic conference in Geneva involved the degree to which applicants may file documents at the patent offices of the member states without official representation. The United States, along with most U.S. bar associations including the American Bar Association (ABA), pushed to give patent applicants the ability to perform as many administrative tasks as possible without the need for official representation; whereas Europe and the European bar associations sought greater restrictions on the ability of the applicant to perform tasks on its own. In compromise, the European countries obtained a provision that requires the translation to be filed by an official representative, but all other provisions in the original draft allowing actions to be taken without an official representative were maintained, for example, provisions allowing the filing of an application for purposes of obtaining priority, the mere payment of a fee, the filing of priority documents, and the issuance of a receipt and notification with respect to any of these items.

In addition, one restrictive provision was removed from the original Treaty draft in respect to the ability of applicants to act without official representation. The original draft contained a provision that would have required the registration in each country of a computerized maintenance fee organization to make payments on behalf of applicants. In response to lobbying by the ABA, the Treaty was modified to permit maintenance fee payments to be made by any person. As a result, commercial computer organizations will be permitted to make annuity payments without any restrictions.
B. Patent Cooperation Treaty

As efforts to adopt the Patent Law Treaty were culminating in Geneva, the U.S. Patent and Trademark Office (PTO) issued a proposal to reform the Patent Cooperation Treaty (PCT). Under the PTO’s proposal, the reform would take place in two stages. In the first stage, the PCT would be amended to simplify certain procedures and to conform the PCT to the Patent Law Treaty. The second stage of reform would include a substantial overhaul of the entire PCT system to take place over the long term.

During the first phase of the PCT reforms proposed by the PTO, measures would be enacted to facilitate the filing and processing of patent applications, including:

1. Eliminating the concept of designations;
2. Eliminating all residency and nationality requirements;
3. Conforming filing date requirements to those in the draft Patent Law Treaty;
4. Conforming “missing part”-type requirements to draft PLT procedures;
5. Availability of multiple searches and examinations;
6. Eliminating the twenty-month deadline for entry into the national stage;
7. Eliminating the concept of demands;
8. Accommodating further deferral of national stage entry;
9. Combining search and examination;
10. Fee reassessment;
11. Reducing/eliminating formalities, reviewing or handling applications;
12. Reenergizing technical assistance under PCT Articles 51 and 56;
13. Electronic international publication;
14. Electronic transmission of search/examination results;

The second stage of reform would be more dramatic and would include:

1. Regionalizing current search/examination authorities;
2. Eliminating the distinction between national and international applications;
3. Positive examination of results in certain PCT authorities binding contracting states; and
4. Providing further flexibility in terms of relaxed timing requirements for national stage processing.

C. European Patent Convention

In the twelve months prior to April 2000, more than 126,000 European patent applications were filed at the European Patent Office (EPO), 10 percent more than the previous year. The high volume has contributed to a backlog in patent searches. In response, the BEST Project (Bringing Examination and Search Together), which combines search and examination with one examiner, has been expanded with positive results.

Meanwhile, efforts to revise the European Patent Convention (EPC) are underway. On October 19, 2000, the European Union launched formal consultations on whether the EPC...
should be amended to explicitly allow the patenting of software. Article 52(2)(c) of the EPC provides that "programs for computers...shall not be regarded as inventions." Yet thousands of patents for technical inventions using a computer program have been granted by patent offices of European states and by the EPO. The practice varies widely among Member States. This debate commenced in 1997 when the European Commission put out its Green Paper on the Community patent and the patent system in Europe. Commentators believe that the exclusion of patentability for computer programs contained in Article 52(2)(c) of the EPC will be removed by the prospective revisions, bringing the EPC into conformance with U.S. law.

In general, the need for patent harmonization is commonly recognized, with differences of opinion involving the level at which the harmonization should take place. The EC's Green Paper specifically addressed whether the Commission should adopt more liberal conditions coming closer to the practice in the United States. The Green Paper tentatively suggested that to have an "inventive step," the computer-related invention must make a technical contribution that is not obvious. In a follow-up communication to the Green Paper, one comment to the proposed language stated, "[a] computer-implemented invention which merely automates a known process using well known automation techniques will, in principle, be obvious and therefore cannot, in principle, be considered to involve an inventive step." The consultation paper also specifically addressed the assessment of technical and non-technical features of business method inventions. The EC proposed that in determining technical contributions, only the technical features should be taken into account. "Where the contribution lies merely in non-technical features, the invention will not be considered as involving an inventive step," the proposed language says.

Another principal issue in the EPO, related but not identical to the patenting of software, concerns the patentability of business methods. Questions relating to the patentability of software and business methods in Europe have gained considerable attention due to recent changes in U.S. law. Generally, business methods are unpatentable in the EPO under Article 52 of the European Patent Convention. However, in practice, it is believed that most Internet-related applications describe technical means (e.g., computer networks) for carrying out business methods and are thus not simply business methods as such. Of course, such applications must satisfy the ordinary requirement that they overcome an objective technical problem in a nonobvious way.

Among other proposals are amendments to streamline the EPC by transferring details from the body of the Convention to the implementing regulations, which would increase the flexibility of the EPC to accommodate ongoing international developments in patent law and the growing number of Member States in the EPO.

4. See id. art. 52.
6. See id.
8. See id.
9. See id.

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Finally, there are proposals to reform the EPC in respect to litigation over European patents. A working group under leadership of the French government is developing a proposal for a European Patent Litigation Protocol (EPLO) involving the creation of a European Patent Judiciary (EPJ), comprised of a common first instance court, a common second instance court, and a registry. The EPJ would jointly deal with infringement and validity of European patents, including sanctions and injunctive relief; its jurisdiction would be exclusive.

D. European Union Copyright Directive

After three years in the pipeline, negotiations over the European Copyright Directive continued in 2000, leading to formal adoption by the European Parliament on February 14, 2001. There are three key provisions: (1) a universal definition of non-commercial private copying; (2) provisions to allow the use of temporary, "unauthorized" copies in the process of distributing files on computer networks; and (3) criminal penalties for any attempt to remove security measures from protected digital files. The majority of the provisions are taken from the 1996 Copyright Treaty. Many Member States' existing copyright laws already meet or even exceed them in some areas, for example, the United Kingdom, with its relatively strict regime.

The Copyright Directive is intended to ensure the existence of an internal market in copyright and related rights, with particular emphasis on electronic commerce, and to create a legislative framework capable of responding to new technological challenges. With the Copyright Directive now in place, Europe now has an infrastructure with which to regulate and harmonize its treatment of copyright in the so-called information society. In plainer terms, it means that consumers will have to pay for content and face criminal penalties if they are caught trying to evade or remove software security systems designed to stop them from copying digital files.

Article Six of the Directive, outlawing "devices, products, components or services designed to circumvent technological measures" that protect content, is likely to become the most significant bit of the legislation in the next few years. It underlines the principle that technology, rather than the courts, will play the most important role in safeguarding copyright, stimulating the nascent digital rights management industry in which companies such as Intertrust and Reciprocal protect and collect royalties on digitally distributed content.

Meanwhile, content owners will have a new, universal right to pursue "crackers"—those who attempt to beat the new software encryption systems.

The Copyright Directive is particularly helpful to the music industry and represents a major victory for the International Federation of the Phonographic Industry (IFPI). Concomitantly, the Directive is seen as a defeat for the telecommunications, broadcasting and electronics industries, who argued unsuccessfully for a flexible interpretation of "private" copying in the interest of reducing the need for expensive anti-copying technology and in gaining the easiest possible access to music and video content to attract customers to new online and mobile services.

One controversial amendment, "Amendment 11," was proposed by broadcasters who sought to preserve their access to "archives."\(^4\) This would have given broadcasters wide-ranging rights to use material in their archives for "on-demand" services, subject to the payment of "equitable remuneration, as appropriate" to authors and performers.\(^5\) However, Amendment 11 was rejected, and thus broadcasters will have to ask for permission if they want to use archived material.

While the IFPI was successful in defeating many proposed amendments, it was disappointed that the wording on private copying was not narrowed. The IFPI wanted to include the wording "his/her private use" in the final document, but the words "his/her" were not adopted, which left the phrasing somewhat ambiguous as to whether an individual has the right to make a private copy for someone else. Telecommunications companies are also relieved that they will not have to pay royalties on copies of digital files stored on networks before onward distribution.

Another significant amendment that was adopted requires EU Member States to implement the directive into national law within eighteen months, rather than the original plan of twenty-four months. That will help accelerate the European Union's commitment to ratify two Internet-related WIPO treaties: a copyright treaty for authors, and a phonograms and performances treaty for producers and performers.

The winners and losers in the process leading to adoption of the EU Copyright Directive were evident immediately after the February 14, 2000, vote, when the IFPI's delegation remained in the building to thank European Parliament members for their support, while their counterparts on the other side of the issue, including representatives of the consumer-electronics manufacturers, left stony-faced and refused to comment, according to reports.

Nevertheless, Internet service providers (ISPs) escaped further damage when the Parliament voted against an amendment imposing strict liability for carrying materials that infringe copyright.\(^16\) The Parliament excluded an amendment that would have made ISPs and application service providers (ASPs) liable for any information on their systems that infringes copyright or allows someone to break copyright protection. ISPs already need to monitor information on their system in the wake of a widely publicized defamation case against Demon last year. However, ISPs are not liable for copyright infringement unless they know that infringing material is on their system, and a copyright infringement case is unlikely to succeed unless the ISP had clearly been warned to remove it.

The Copyright Directive is likely to be adopted by the Council of Ministers in the next few weeks. Member States will then have eighteen months to incorporate it into national law.

E. New Design Right in European Union

The European Parliament endorsed legislation creating a new design right that would be directly applicable in all fifteen states of the European Union. Registration for a "Community Design" will be for five years from the date of application and renewable at five-


\(^{15}\) Id.

year intervals to a maximum of twenty-five years. The design right will be administered by the EU Office for Harmonization of the Internal Markets in Alicante, Spain, which now handles Community Trademarks.

F. U.S. Accession to the Madrid Protocol

The United States moved closer to ratification of the Madrid Protocol in 2000. The principal obstacle to U.S. accession had been a dispute with the European Community over voting rights of intergovernmental organizations. This dispute has been resolved. The White House, in a May 31, 2000 press release issued during the United States/European Union Summit, announced its support for the Madrid Protocol, and the U.S. State Department is preparing the ratification documents for submission to the Senate. The president will have one year following Senate approval of the treaty to deposit the United States instrument of ratification with the World Intellectual Property Organization (WIPO). This delay is necessary to allow the PTO a sufficient opportunity to prepare and implement the appropriate rules and procedures for operating under the Protocol. Thus, the United States may become a member of the Madrid Protocol by year-end 2001.

1. One-Stop Application

U.S. adherence to the Protocol will have a substantial impact on the procedural aspects of trademark practice. Principally, the Protocol establishes a “one-stop” international application and registration system that, according to its supporters, will make it easier and less expensive for American businesses to protect their trademarks as they expand in the global marketplace. A single international application, with a single set of fees, can be filed in English in the U.S. Patent and Trademark Office. An international registration can be obtained without retaining a foreign agent or filing a separate application in each country. Renewal and assignment of the international registration may each be accomplished by filing a single request with a single fee.

2. Implementing Legislation

In February 2000, the U.S. Senate Judiciary Committee favorably reported the Madrid Protocol Implementation Act to the full Senate. The U.S. House passed an identical bill on April 14, 1999 without opposition. Passage of the implementing legislation would have no legal effect until the United States accedes to the treaty. However, advocates of the Madrid Protocol believe that passage of the Implementation Act would provide a certain impetus toward ratification.

3. The Madrid Agreement

U.S. accession to the Madrid Protocol will come more than one hundred years after the Madrid Agreement, which created the first international registration scheme. In 1891, that Agreement established an international registration system, now administered by WIPO. As of May 2000, there were fifty-two parties to the Agreement. The United States and other major countries are not parties to the Madrid Agreement for the following reasons. First, an international application under the Madrid Agreement may be filed only after registration (as opposed to an application for registration) of the mark in the home country. Second, the protection afforded by the International Registration remains dependent on the validity of the "basic" or "home" registration, and if the basic registration is terminated for any reason within five years of its issuance (referred to as a "central attack"), all registrations based on it are invalidated. Third, the allowance of only twelve months during which a national office may notify WIPO of the unacceptability of the mark is considered unworkable in a country like the United States, where the examination process often requires considerably more time. Fourth, the international application must be filed in French, and the fees designated by the Agreement are less than corresponding fees in the United States.

4. History of the Madrid Protocol

In an attempt to address these perceived defects and attract more countries to the Madrid Union, the parties to the Madrid Agreement signed the Madrid Protocol in June 1989. The Agreement and the Protocol are parallel but independent treaties. The total membership of the Madrid Union—countries that have signed one or both treaties—is sixty-six.

The Madrid Protocol took effect in April 1996 and is currently operative in forty-six countries, including Japan, the United Kingdom (but not the European Community), and twelve other countries that are not party to the Madrid Agreement.

The principal difference between the Protocol and the Agreement involves the basis for filing an international application. Under the Madrid Protocol, a home application, not just a registration, may serve as the filing basis. Thus, the Madrid Protocol provides an international application and registration scheme. In addition, the "central attack" problem under the Madrid Agreement has been mitigated: if a home application or registration fails within five years of the international registration date, the owner does not lose all related international registration rights, but may transform the international registration into national applications benefiting from the filing date and any priority date of the international registration. The time limit for a country to refuse registration may be extended to eighteen months, and longer if an opposition is filed. The international application may be filed in English or French, and a member nation may charge fees that are equivalent to its national fees.

5. Conforming Changes in U.S. Trademark Law

Although the United States has not yet ratified the Madrid Protocol, it has made a number of important changes to U.S. trademark law in the past twelve years that bring U.S. law and practice into conformance with that of many foreign nations. For example, pursuant to the Lanham Act Amendments of 1988, an application may be filed based upon

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a bona fide intention to use a mark. The 1988 Amendments also reduced the registration term from twenty to ten years. In 1999, the Trademark Law Treaty Implementation Act eased the minimum requirements for obtaining a filing date and modified the renewal procedure to comport with international practice by removing the proof-of-use requirement from the Section 9 renewal application itself (while adding it to Section 8).

6. Madrid Protocol Implementation Act

The Madrid Protocol Implementation Act would amend the Lanham Act by adding a new Title XII containing Sections 60 through 74. The Implementation Act is intended to make procedural, not substantive, changes to U.S. trademark law. Under its terms, the Act will take effect on the date that the Madrid Protocol enters into force with respect to the United States.

7. Filing of International Application

The Implementation Act permits the filing of an international application with the U.S. Patent and Trademark Office by the owner of a U.S. application or registration, provided that the owner is a U.S. national or domiciliary or has a real and effective industrial or commercial establishment in this country. The application may not be filed directly with WIPO, although the form of the application is prescribed by WIPO. The PTO will examine the international application to certify that the information corresponds to that of the basic application or registration, and, if so, will transmit the international application to the International Bureau of WIPO. The relevant information will then be forwarded by WIPO to each country designated by the applicant, where the examination and registration procedures of that country are applied. When the process is completed, the applicant will own a bundle of foreign rights, all bearing the same international number.

8. Issuance of International Registration

The International Registration is issued by WIPO if all WIPO filing requirements are met, and the mark is then published in the WIPO Gazette of International Marks. The International Registration will bear the date on which the international application was filed with the office of origin, provided the application is received by WIPO within two months of that filing date; otherwise, it will bear the date of receipt by WIPO. An International Registration is effective for a period of ten years and is renewable for further ten-year periods.

9. Extension of International Registration

The International Registration alone has no legal effect. It is the extension of the International Registration to a particular country that has legal force. After WIPO has issued the International Registration, the requests for extension of protection are forwarded to the specified countries. A request for extension may be filed concurrently with the international application or at any time during the life of the International Registration.

With respect to an application for International Registration based on a U.S. application or registration, the PTO is required to notify WIPO whenever that basic application or registration has been restricted, abandoned, or cancelled, or when it has expired, with respect to some or all goods or services, either (a) within five years after the international registration date assigned by WIPO, or (b) more than five years after the international registration date if the restriction, abandonment, or cancellation resulted from an action that began before the end of the five-year period. If the International Registration is consequently cancelled, the holder may file corresponding national applications, which may benefit from the international application date and its applicable priority date.

Under Section 64 of the Implementation Act, the owner of an International Registration that is based on a U.S. application or registration may seek an extension of protection of the registration to other countries by filing a request either directly with the International Bureau of WIPO or by filing with the PTO for transmittal to WIPO.

Under Section 66 of the Implementation Act, an owner of an International Registration who requests extension of that registration to the United States must include a verified statement of a bona fide intention to use the mark in commerce. However, the Implementation Act does not address the possibility that the owner has already used the mark in the United States. The request will be examined in the same manner as an application for registration on the Principal Register. If entitled to an extension of protection, the mark will be published for opposition in the Official Gazette of the PTO. If an opposition is not filed, a certificate of extension of protection will issue, giving the owner the same rights as the owner of a U.S. registration on the Principal Register. An extension of protection remains in force for the term of the International Registration. However, a Declaration of Use under Section 8 of the Lanham Act will be required at the sixth anniversary of the issuance of the certificate of extension, and at each ten-year anniversary of the issue date. Section 15 incontestability is available. An extension of protection may be assigned, along with the goodwill appurtenant to the mark, only to a person who is a national of, is domiciled in, or has a bona fide and effective industrial or commercial establishment in, a country that is a party to the Madrid Protocol.

If a mark would not be eligible for protection on the Principal Register, the request for extension will be refused. The PTO must send a notification of refusal to WIPO stating the grounds for refusal. This notification must be sent within eighteen months of WIPO's transmittal of the request for extension of protection; an additional seven months are allowed for refusal if the PTO notifies WIPO that an opposition may be filed after expiration of the first eighteen-month period. In responding to a refusal, the holder of the International Registration must designate a domestic representative resident in the United States.

An extension of protection issued by the PTO will be cancelled, in whole or in part, if the PTO receives notification from WIPO that the corresponding International Registration has been cancelled as to all or some of the goods or services. If the International Registration is not renewed, the corresponding extension of protection in the United States is invalidated.

The holder of an International Registration cancelled in whole or in part may file an application for registration under Section 1 or 44 of the Lanham Act for the cancelled goods and services that were covered by the U.S. extension of protection, and may claim a priority right if the application is filed within three months of the International Registration cancellation date.
10. Practical Consequences

As a result of U.S. accession to the Madrid Protocol, it is expected that the number of references requiring review and investigation as part of the trademark clearance process will increase significantly. Nevertheless, the potential cost savings offered by the Madrid Protocol are attractive to the American business community. Under the Protocol, an American applicant for a U.S. trademark registration or an American owner of a U.S. registration may file a single international application, in English, with the PTO, designating the Protocol countries in which protection is desired, and paying a single fee. In return, the U.S. applicant will obtain a bundle of foreign rights under a single International Registration number, without the expense of hiring foreign lawyers or agents. Renewal and recordal of an assignment of the International Registration may each be effected in a single filing.

11. Countervailing Considerations

Notwithstanding, there are countervailing considerations that U.S. trademark owners must consider before filing an application under the Madrid Protocol. The principal drawback for American applicants will relate to the scope of goods or services covered by the application. The scope of coverage of an International Registration under the Protocol is tied to the scope of the home application/registration for at least the first five years of life of the International Registration. Because American trademark law requires that the identification of goods and the recitation of services in a registration be relatively specific, the scope of the corresponding International Registration will be similarly limited. If the U.S. application or registration is restricted or terminated during the five-year period following the International Registration date, or is subsequently restricted or terminated as a result of an action commenced during that five-year period, the U.S. Patent and Trademark Office will notify WIPO, and the coverage of the International Registration will be correspondingly reduced or terminated. This drawback results from the fundamental principle of American trademark law that trademark rights are based upon actual use of a mark. Although, as noted above, the United States has amended the Lanham Act in a number of respects to conform more closely to international practice, the requirement of actual use remains.

Thus, an American applicant must verify that the mark has been put into use before a registration will issue, and the goods or services covered by the registration will be limited specifically to those with which the mark is actually used. A trademark owner cannot, therefore, obtain a registration for goods broadly defined as "clothing" or "computer software" because the PTO will require the applicant to specify the types of clothing and the types of software. Even a foreign applicant who obtains a registration relying upon Section 44(d) or 44(e) of the Lanham Act without a showing of actual use in this country must verify that it has a bona fide intention to use the mark in commerce; and to avoid cancellation of the registration after its sixth year, a Declaration Under Section 8 must be filed, verifying that the mark has been used in this country. Thus, the broad language found in the foreign application or registration will have to be narrowed in the U.S. application before a registration will issue.


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12. Issue for U.S. Applicants

The basic issue for a U.S. applicant is, when seeking international trademark protection, whether the applicant should file under the Madrid Protocol in order to save money, or, alternatively, whether the applicant should file individual, national applications in some or all of the desired Protocol jurisdictions to maximize the scope of the protection. The answer will vary from case to case. Companies that launch new products internationally, such as pharmaceutical companies, have probably conducted extensive clearance searches, and are not likely to encounter objections in foreign countries. The Protocol will be attractive to such companies. However, most American companies start with a product in this country and subsequently take the product abroad. Because a commitment has been made to the mark, such a company is not likely to conduct further searching, and is therefore more likely to meet an objection in a foreign application. The savings from a Madrid Protocol filing may then be lost when a foreign representative must be hired to respond to the objection.

Moreover, while many companies will not be concerned if the foreign protection is limited to the scope of the U.S. registration, others, for example, clothing producers, may desire coverage for a broad line of goods even where the U.S. registration is limited to a specific item, in order to preserve its option for future expansion of the product line. Companies who own a house mark or a famous mark may well decide to spend the additional money for national filings in order to obtain broad protection for the mark.26

Alternatively, the Madrid Protocol may not be as attractive to companies with relatively descriptive marks, since descriptive marks are rejected in some jurisdictions unless secondarily meaning is shown. One commentator has observed that, except for companies who have already searched and confirmed the registrability of their marks, filing under the Protocol

26. See John L. Welch, supra note 16. In his article noted above, Welch notes one “rather curious way” in which a U.S. company could obtain a relatively broad foreign protection under the Protocol but narrow protection in this country: An intent-to-use application might be filed in this country, along with a corresponding application for International Registration, identifying a “laundry list” of goods (or services) that includes many individual elements: for example, shoes, shirts, socks, shorts, hip-huggers, and so forth. If the U.S. application survives examination and the opposition period, a Notice of Allowance will issue; the applicant may extend the time for filing the Statement of Use for up to three years. Meanwhile, the requests for extension of the International Registration in the various designated Protocol countries will have been examined, and the extensions of protection likely granted. In fact, each country or organization (i.e., Benelux) must examine the request for extension before the expiration of, at most, eighteen months from the International Registration date. In this country, however, the applicant may file its Statement of Use at the very end of the three-year post-allowance period. It is not uncommon for a period of more than two years to pass between the filing of an application and the issuance of the Notice of Allowance, and so the Statement of Use may ultimately be filed after the fifth anniversary of the International Registration. Under the Protocol, the International Registration is then no longer tied to the U.S. basic application. Even if this hypothetical applicant deletes some of the goods at the time of filing the Statement of Use—indeed, with regard to “laundry list” applications, many of the goods are commonly deleted when the Statement of Use is filed—the International Registration retains the original broad list of goods. The same would be true if the U.S. applicant simply abandoned the application at the end of the last extension period, or if the PTO found, when the specimens of use were finally submitted, that the mark was highly descriptive or generic, and unregistrable. The interaction of the five-year dependency rule under the Protocol, and the potential delay of more than five years for completion of prosecution of an application in the United States—whether resulting from a successful appeal from a refusal to register, a successful defense of an opposition, or the scenarios mentioned above—may yield consequences that are “unique for American trademark owners.”
is a roll of the dice—with luck, a company will not have to hire local representation and will save money on its foreign filing program.\textsuperscript{27}

13. \textit{Limitations on Assignability}

Another significant drawback of the Madrid Protocol concerns the limitation it imposes on recordation of an assignment of an International Registration and, more importantly, the impact of national laws on the legality of such an assignment.\textsuperscript{28} Under the Madrid Protocol, the assignment of an International Registration may be recorded in a single filing with a single fee. It is also possible to record an assignment of the Registration as to some of the contracting jurisdictions, or as to some of the goods and services. However, in every case, the new holder must be a person who would be entitled to file an international application under Article 2(1), that is, a person who is a national or a domiciliary of, or has a real and effective industrial or commercial establishment in, a contracting state. While this limitation affects only recordation of an assignment, rather than the legality or validity of an assignment, it is a significant limitation for a purchaser who wants to be able to record an assignment of the rights purchased. The inability of a potential purchaser of trademark rights to record the assignment may have a significant impact on whether and in what form a business deal is completed.

As to the legality of an assignment of an extension of protection in a particular country, and the impact of the refusal by WIPO to record the assignment, national law governs. The Madrid Protocol Implementation Act, as now being considered by Congress, states that an extension of protection to the United States may be assigned only to a person who meets the Article 2(1) eligibility requirements. Just as a foreign applicant for extension of protection in this country should consider the impact of this provision of U.S. law, an American applicant or registrant contemplating a Madrid Protocol filing would be wise to consider the national laws regarding the assignability of extensions of protection in the contemplated jurisdictions.

14. \textit{Designating Protocol Countries}

Yet another consideration in contemplating a Protocol filing is the determination of that country to include in the international application. In countries whose representatives charge relatively low fees, direct filing of a national application may be preferable, in order to secure the broadest protection at a reasonable cost. In a country with relatively high agent fees, like the United Kingdom and Japan, an international applicant may choose to designate that country under the Protocol even though the ultimate scope of coverage may be restricted to that obtained in the basic U.S. registration.

15. \textit{Implications for Trademark Practitioners}

It is believed that American trademark practitioners will initially be bypassed by foreign applicants who designate the United States for an extension of protection of the Interna-

\textsuperscript{27} See Carlo Cotrone, \textit{The United States and the Madrid Protocol: A Time to Decline, a Time to Accede}, 4 MARQ. INT`L L. REV. 75 (2000). Moreover, Cotrone contends that, because of the many grounds for cancellation available in this country, the potential here for a successful "central attack" on the home registration—forcing the American registrant to transform the International Registration into costly national filings—may dissuade the American mark owner from filing under the Protocol.

\textsuperscript{28} See Welch, supra note 16.
tional Registration. The request for extension will be transmitted by the International Bu-
reau of WIPO directly to the receiving office (the PTO), without the need for a local
representative.

Under the Protocol, if the receiving office refuses to grant the requested extension of
protection, the office may require that any response be filed through a representative located
within its territory. However, the U.S. implementation legislation does not require the
applicant to respond to a refusal through a local representative, although it provides that,
at the time of responding to a notification of refusal, the holder of the International Reg-
istration must designate a domestic representative on who may be served notices or process
in proceedings affecting the mark.

It is anticipated that American trademark practitioners can expect some loss of revenue
from direct U.S. filings during the first few months after implementation of the Protocol.
However, since most U.S. applications are refused registration on the first examination,
American practitioners will probably recover much of this lost revenue at the examination
stage. Thus, if the total number of U.S. filings from the Protocol jurisdictions increases,
American practitioners may see a surge in revenues, albeit delayed in time, when these
increased filings result in more refusals to register, more appeals, and more inter partes
proceedings.

Foreign practitioners, in turn, can expect to see a permanent drop in revenue resulting
from the loss of national filings on behalf of American applicants. Foreign requests for
extension in many countries may be expected to encounter considerably less difficulty than
requests filed in this country. Some foreign countries conduct little or no examination of a
trademark application, and so practitioners in those countries will be least likely to recoup
their lost revenues.

16. Impact on PTO

The PTO does not expect a flood of additional "applications," that is, requests for ex-
tension—as a result of this country's accession to the Madrid Protocol. If this were a
concern, the United States could reduce the number of requests for extension by invoking
Section 14(5) of the Protocol, which allows an acceding country to declare that preexisting
International Registrations may not be extended to it. Three countries—Estonia, Hungary,
and Turkey—have invoked that provision.

III. Decisions by International Tribunals

A. WTO Ruling Against U.S.

On May 5, 2000, a dispute panel of the World Trade Organization held that the United
States violated rules on intellectual property protection by adopting music licensing legis-
lation that liberalized the infringement exemption for small bars, restaurants, and shops
that play broadcast music without paying royalties or getting the right holder's permission.
Section 110(5) of the Copyright Act, as amended by the 1998 Fairness in Music Licensing
Act, violates Article 9.1 of the WTO Agreement on Trade-Related Intellectual Property

29. See id.
Rights (TRIPS), the panel held. The decision was a victory for the Irish Music Rights Organization (IMRO).

The European Commission had estimated that losses to artists throughout the EU from the 1998 U.S. legislation were around Euro 28 million ($25 million) annually.

The panel held that Section 110(5)(b) of the U.S. Copyright Act is inconsistent with Article 11 of the 1971 Berne Convention, which grants authors exclusive rights over public communication of their works. Article 9.1 of TRIPS incorporates articles 1-21 of the Berne Convention into the WTO Agreement.

However, the panel ruled in favor of the United States on the so-called home style provision under Section 110(5)(a), holding the provision is compatible with Berne and TRIPS. That provision states that public performance of a musical work is not an infringement of copyright provided that it is "on a single receiving apparatus of a kind commonly used in private homes" and that the music is not retransmitted or that a fee is charged to hear it. The United States had never refuted the claim that the Fairness in Music Licensing Act was a prima facie violation of the Berne Convention, but it argued that the licensing exemptions were permissible under Article 13 of TRIPS, which allows limitations and exceptions from TRIPS' copyright rules for "certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder" (the "de minimis" exemption).

B. Other Rulings

The European Court of Justice (ECJ) has ruled against the Netherlands' challenge to the EU's Biotechnology Directive. The Netherlands had sought a preliminary injunction against implementation of the directive on the grounds that it creates substantive law by providing for the patentability of bio-engineered plants and animals, for which a directive is not the proper vehicle. However, the ECJ rejected the Netherlands' argument that the European Commission should have used a regulation, which the Netherlands could have blocked with a veto.

The European Patent Office issued a decision on the patentability of information on "carriers" (e.g., a DVD), and whether the combination of the information plus the carriers


36. Although the United States could have appealed the adverse portion of the panel report to a WTO appellate body, the United States instead informed the WTO that it would implement the panel's recommendations but required a "reasonable period of time" as permitted by WTO procedural rules. If the United States does not repeal the Fairness in Music Licensing Act by July 27, 2001, then the European Communities, under WTO rules, may demand compensation from the United States and even suspend their obligations to the United States under the WTO agreement.

37. See Royal Society of Chemistry, EU Overrides Dutch Resistance to EU Directive on Biotechnology, CHEM. BUS. NEWSBASE, June 26, 2001. The Dutch, who are supported by the Italians, consider the patenting of living material to be unethical.

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is patentable. The patent application was initially refused because the Examining Division deemed the coded information on the carrier as being a “presentation of information as such” and therefore unpative under EPO practice. However, the Board of Appeal overturned the Examining Division on the grounds that the information on the carrier was representative of the technical content underlying the invention. The decision is significant because the Board interpreted the arrangement of coded picture lines to be true technical content. The Board found that the data arrangement defined the technically operative data coding and not merely the illustrative data content stored within the coding. The Board referred to these data types as the “functional data” and the “cognitive information content.” The Board also concluded that the words “for use” in the carrier claim implied that the operative data coding also had to be suitable for use in the picture retrieval system. Therefore, although the data was only defined in loose functional terms in the claim, it was incorrect to conclude that the protected carrier data could be of any type whatsoever, as the Examining Division had concluded.

IV. ICANN

On November 16, 2000, the Internet Corporation for Assigned Names and Numbers (ICANN) announced the selection of seven new generic top level domains (gTLDs, or simply TLDs) to join the familiar “group of five” (“.com,” “.org,” “.net,” “.edu,” and “.gov”). This development was the first expansion of gTLDs—to be distinguished from “country code” TLDs (ccTLDs) such as “.uk,” “.ru,” “.cc,” and “.tv”—since the late 1980s. Beginning in 2001, it became possible for trademark owners to register their names and marks in one or more of the following new gTLDs, depending on the field of use:

<table>
<thead>
<tr>
<th>TLD</th>
<th>Eligible Registrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>.aero</td>
<td>Air-transport industry</td>
</tr>
<tr>
<td>.biz</td>
<td>Businesses</td>
</tr>
<tr>
<td>.coop</td>
<td>Non-profit cooperatives</td>
</tr>
<tr>
<td>.info</td>
<td>Unrestricted</td>
</tr>
<tr>
<td>.museum</td>
<td>Museums</td>
</tr>
<tr>
<td>.name</td>
<td>Individuals</td>
</tr>
<tr>
<td>.pro</td>
<td>Accountants, lawyers, and physicians</td>
</tr>
</tbody>
</table>

1. Protection of Trademark Rights in the New gTLDs

In May 2001, ICANN executed agreements with the registries for “.biz” and “.info,” respectively. Each registry announced procedures to protect trademark rights and minimize the incidence of “cybersquatting.” However, neither was equipped to deal with the vexatious problems raised by competing claims of priority among applicants for the identical domain name.

The “.biz” registry announced an “IP Claim” service allowing trademark owners an opportunity (for a fee) to identify their marks to the registry before the actual domain name registration process begins. In the event that another party attempts to register the same name as the trademark covered in the IP Claim, the would-be domain name registrant is notified of the pre-existing IP Claim before he is allowed to proceed through the application

38. See Convention on the Grant of European Patents, infra note 3.
process. The trademark owner is then notified and given the opportunity to oppose the domain name registration.

It remains to be seen how the “.biz” registrar will resolve competing applications for domain name registrations based on identical trademarks for disparate goods and services, all of which can co-exist on the Principal Register of the U.S. Trademark Office, and in the global marketplace for goods and services, but not in a single Internet domain.

A procedurally different but equally problematic effort to protect “trademark owners” was announced by the registry for the “.info” top level domain, in the form of a thirty-day “sunrise” period during which trademark owners are provided an opportunity to register their trademarks as domain names under that TLD, following which registration is available to the general public. The possibility that a member of the “general public” may have a trademark right that is prior in time or otherwise more legitimate than that of the supposed “trademark owner(s),” apparently is not contemplated. According to reports, one or both registries intend to treat competing applications equally, that is to say, randomly, provided they are based on existing trademark registrations.

The resolution of competing claims randomly may seem a peculiar way to operate where certified information about trademark registration and ownership was solicited in the first place. And yet registrars are caught between the need to fairly administer the registration process and the need to avoid becoming embroiled in controversies between competing claimants.

Increasing numbers of trademark owners, faced with the prospect of such “random selection,” are opting out of the process in the expectation that increasing numbers of top level domains will become available with a corresponding loss of premium associated with a particular domain. While the “.com” TLD will retain its cachet, the propensity of each new TLD to cause a virtual stampede will diminish rapidly.

In the meantime, measures such as the “IP Claim” service and the “sunrise” period share an essential defect: while they introduce a cost into the Domain Name System, neither is capable of resolving conflicts among domain name applicants with colorable rights to use a particular name. Each of the measures is intended to function as a bulwark against an anticipated “land rush” of domain name applications, but neither accounts for the principal distinction between cyberspace and real estate, to wit: the supply of addresses in cyberspace, unlike that of their counterparts in the “real” world, is unlimited. Each time a new top level domain becomes available, the quantity of available domain names increases by a number approaching the entirety of words and phrases in a particular language.

Considering the absence of technical obstacles to the proliferation of TLDs, the spectacle of ICANN’s efforts to regulate this process through the painstaking introduction of seven TLDs brings to mind the image of a boy with his finger in a massive dike.\textsuperscript{39}

\textsuperscript{39} In fact, the number of top level domains has proliferated, although none except the seven identified above are authorized by ICANN and therefore do not appear on the authoritative root (the “A Root”) recognized by the Domain Name System (DNS) and maintained on hardware located at some thirteen central locations. As of this writing, as many as five hundred unauthorized top level domains are in operation. They are “unauthorized” in the sense that search engines on store-bought computers will not reach them, but neither are they prohibited, inasmuch as computer owners are free to download software that will cause their computers to re-route addresses to the maverick domains. An Internet service provider such as Earthlink may, and did, contract with an Internet domain name registrar named New.Net, offering its ISP customers a user-friendly, “single-click” opportunity to access the “unauthorized” domains.

\textsuperscript{39}
As the supply of available Internet domain names approaches infinity, one can expect a downward pressure on the price of domain names with a tendency to approach zero. The prospect of that development leads one to inquire whether the interests of trademark owners are genuinely threatened by the expansion in top level domains, or whether instead the artificial scarcity of domain names is best suited to cybersquatters and others who speculate in the market for secondary "generic" domain names. One thing seems apparent: as long as there is a real or perceived scarcity in available top level domains, there will be an institutional incentive for cybersquatting, and an attendant need for inexpensive and effective procedures against persons who register and use domain names in bad faith.

2. The UDRP

If a domain name registrant refuses in bad faith to assign his name to the owner of a valid trademark covering the same name, then the trademark owner may obtain the cancellation or assignment of the infringing domain name by way of an arbitration-like procedure under the Uniform Dispute Resolution Policy (UDRP). The UDRP is available to all trademark owners, registered or otherwise.

The UDRP is incorporated in the service contracts between Internet domain name owners and their domain name registrars pursuant to the registrar's agreement with ICANN. There are a number of authorized arbitration tribunals including but not limited to the World Intellectual Property Organization (WIPO). Filing fees vary among these tribunals. The current filing fee at WIPO is $1,500 for a single arbitrator.

To be successful in a UDRP arbitration, the complainant must show that:

(i) the respondent's domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) the respondent has no rights or legitimate interests in respect to the domain name; and

(iii) the respondent's domain name has been registered and is being used in bad faith.

For international and intellectual property practitioners, it is vital to distinguish between the elements of proof in a UDRP proceeding and those in a case of trademark infringement. Unlike trademark infringement, where the infringer's subjective intent may be relevant but not dispositive, bad faith is a mandatory showing in a UDRP proceeding. If a domain name registrant did not know that he was infringing the rights of a trademark owner when he registered his domain name, then he was not acting in "bad faith" within the meaning of the UDRP.

The UDRP identifies the following four examples of bad faith:


41. See http://arbiter.wipo.int.

42. See http://arbiter.wipo.int/domains/fees/index.html. The fee at WIPO is $3,000 if three panelists are requested instead of one. The filing fees at WIPO are slightly higher than those of some other tribunals, for example, the National Arbitration Forum; see http://www.arb-forum.com.

43. These examples are not exhaustive and other evidence may support a finding of bad faith.
(i) circumstances indicating that the respondent has registered or has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of his documented out-of-pocket costs directly related to the domain name; or

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

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

(iv) by using the domain name, the respondent has intentionally attempted to attract, for commercial gain, Internet users to the respondent’s website or other on-line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of the respondent’s website or location or of a product or service on the respondent’s website or location.

3. ICANN and Country Code Top Level Domains

The World Intellectual Property Organization—pressured by the European Union, the United States, and Canada—is planning to set up a system of arbitration to administer the resolution of disputes over names used in country-code top level domains, according to reports.44 However, it is unlikely that ICANN, or any other constituency, will challenge the right of a country, such as the Federation of Tuvalu, to market domain names in its own country code (“.tv” in the case of Tuvalu, or, by way of example, “.tm” for Turkmenistan). The market for country code TLDs has been a classic study in *laissez faire* economics, an ironic contrast to the scrupulous procedure at ICANN regarding the new generic TLDs. In any event, the need for cooperation between the European Union and ICANN has apparently eclipsed their dispute over the “.eu” country code domain.45

While extension of the UDRP-like procedure for such a procedure would be universally commended, it raises questions about ICANN’s international jurisdiction that are even thornier than those involving its jurisdiction in the United States.

V. U.S. Court Decisions

Recent U.S. court decisions are noted below to the extent they involve issues involving jurisdiction in cyberspace and/or conflicting claims to Internet domain names in generic top level domains such as “.com.”


45. Throughout calendar year 2000, the European Union demanded its own country-code top-level domain, arguing that it qualified for a country code under the International Organization Standard’s ISO 3166 international standard for geographic bodies. ICANN balked, citing concerns over possible effects on international electronic commerce arising from a new country-code domain for the European Union. ICANN representatives would say only that the question was “politically sensitive,” and some observers claimed that ICANN’s primary concern was the fact of its own jurisdiction. The position argued by EU policy makers was consistent with their stance in negotiations involving the recent U.S. accession to the Madrid Protocol. ICANN’s reluctance to freely grant the requested domain, in contrast, may seem less consistent with its own precedent, considering that the Cocos (Keeling) Islands have their own top level domain (“.cc”), even though they are a constituent entity in the Federation of Tuvalu, which has its own top level domain (“.tv”).
A. Personal Jurisdiction

There is currently a substantial degree of debate and confusion over the issue of when "minimum contacts" are established in the case of a website operator who transacts business over the Internet with a purchaser who later seeks to hale the website operator into court in the purchaser's jurisdiction. A number of recently reported opinions have upheld jurisdiction, or declined jurisdiction, or both, under particular facts.

The majority of courts to address the issue have examined "the nature and quality of activity that a defendant conducts over the Internet," and have applied the analytical "sliding
"scale" formulated in Zippo Manufacturing Co. v. Zippo Dot Com, Inc. The district court in Zippo described a continuum of three principal types of Internet jurisdiction cases. At one end of the continuum lie businesses or persons who clearly conduct business over the Internet and have repeated contacts with the forum state such that the exercise of in personam jurisdiction is proper. Thus, for example, "if the defendant enters into contracts with residents of a foreign jurisdiction that involve the knowing and repeated transmission of computer files over the Internet, personal jurisdiction is proper." At the other end of the continuum are defendants who have done nothing more than post information or advertising on a website that is accessible to users in the forum jurisdiction. In this regard, "[a] passive Web site that does little more than make information available to those who are interested in it is not grounds for the exercise of personal jurisdiction." The middle ground between the two poles "is occupied by interactive Web sites where a user can exchange information with the host computer," and, there, "the exercise of jurisdiction is determined by examining the level of interactivity and commercial nature of the exchange of information that occurs on the Web site." Simply put, as the level of interactivity of the website and the commercial nature of the exchange of information increase, the more reasonable it is to conclude that a defendant directed its activities purposefully at the forum state and should reasonably have foreseen being haled into court in the forum jurisdiction.

B. Internet Domain Names

If the explosive growth of the Internet dominated the public debate regarding international patent and copyright law in calendar 2000, then trademark law was no exception. U.S. courts were confronted with an avalanche of cases involving conflicting claims to Internet domain names, including so-called generic Internet domain names, which in principle cannot receive any trademark protection at all.

1. "Generic" Internet Domain Names

Theoretically, a "generic" domain name cannot exist, not even "widgets.com." This is because, under established trademark law, a name or mark can only be generic in connection with a particular product or service, based on evidence concerning the understanding of the relevant class of purchaser. Thus, "apple.com" may be generic when used by a fruit distributor, but not by a computer manufacturer. Nonetheless, generic domain names do exist, judging from the booming secondary market for "generic" domain names. The best definition of a "generic" domain name is, therefore, a domain name that is not identical or confusingly similar to any known trademark—a nebulous standard invested with a signifi-
ciant degree of risk to the purveyor. Examples of such domains are "bank.com," "business.com," and "america.com."

Prices for "generic" domain names on the secondary market averaged between $25,000 and $30,000 in 2000. One dealer, HitDomains.com, was brokering Internet domain names for an average price of $600,000. That company gained worldwide recognition in the financial and business sector when it established a new record for an online Internet sales price in brokering the sale of "WallStreet.com" for more than $1 million in partnership with New Commerce Communications. HitDomains.com also sold "Autos.com" for $2.2 million. Meanwhile, the name "AsSeenOnTV.com" was sold for $5 million. As of June 6, 2000, "ForSaleByOwner.com" was selling for $835,000 and "Savings.com" had an asking price of $1,900,000. "Taxes.com" was going for $700,000 and "Deposits.com" for $1,500,000. On the same day, the owner of "America.com" was asking $30 million although the highest bid was a mere $10 million.

2. Recent Domain Name Cases

The rate of Internet domain name disputes to reach the courts increased dramatically in calendar year 2000 as illustrated by the following chronology of cases reported since the first of the year:

- January 18, 2000: The Network Network v. CBS Inc., 54 USPQ2d 1150 (C.D. Cal. 2000) (holding that plaintiff has no remedy against defendant's use of similar domain name under Federal Dilution Act where plaintiff's mark was not famous at time of Defendant's first use)
- January 31, 2000: First Jewellery Co. of Canada, Inc. v. Internet Shopping Network LLC, 53 USPQ2d 1838 (S.D.N.Y. 2000) (granting preliminary injunction to holder of "FIRST JEWELLERY" mark against user of domain name "firstjewelry.com")
- February 24, 2000: Volkswagen AG v. Virtual Works Inc., 106 F. Supp. 2d 845, 54 USPQ2d 1126 (E.D. Va. 2000) (granting summary judgment to plaintiff, holding that famous automobile manufacturer is exclusive rightful owner of "vw.net" Internet domain name notwithstanding prior registration of "vw.net" by Virtual Works Inc.)
- February 28, 2000: OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 54 USPQ2d 1383 (W.D.N.Y. 2000) (granting preliminary injunction against defendants' use of "thebuffalonews.com" for public comment and criticism of plaintiff's newspaper, holding that parody defense is available only in absence of confusion)
- March 3, 2000: Caesars World Inc. v. Caesars-Palace.com, 112 F. Supp. 2d 505, 54 USPQ2d 1121 (E.D. Va. 2000) (holding that due process was not violated by "in rem" action by trademark owners against domain names rather than their owners)
- March 22, 2000: Shields v. Zuccarini, 89 F. Supp. 2d 634, 54 USPQ2d 1166 (E.D. Pa. 2000) (granting preliminary injunction to plaintiff where defendant registered five variations of plaintiff's Internet domain name and used them for advertising; after plaintiff filed suit, defendant changed its sites to "political protest" pages in ploy to cloak itself in First Amendment protection; held, plaintiff was entitled to protection as owner of "distinctive" or "famous" mark under Federal Dilution Act)
personal jurisdiction, where defendant sold equipment to New York customers; denying plaintiff's motion for summary judgment, where issues of fact precluded finding that plaintiff's "Cello" mark for high end stereo equipment was "famous and distinctive"; holding that Anticybersquatting Act protects "distinctive" and "famous" marks from identical or confusingly similar domain names, but only protects "famous" marks from dilutive domain names)


• April 18, 2000: *BigStar Entertainment, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 54 USPQ2d 1685 (S.D.N.Y. 2000)(denying motion of plaintiff video seller, owner of domain name "bigstar.com," for preliminary injunction against use of "nextbigstar.com," declining to find "initial interest confusion" in action against non-competitor defendant talent search company, where domain names were not virtually identical, plaintiff's marks were weak and lacked secondary meaning, similar names and marks were in use by third parties, and defendant did not use plaintiff's marks in metatags)

• April 19, 2000: *Morrison & Foerster LLP v. Wick*, 94 F. Supp. 2d 1125 (D. Colo. 2000) (granting preliminary injunction under Anticybersquatting Act, rejecting registrant's argument that domain names were selected with intent to set up parody sites)

• April 21, 2000: *Network Solutions Inc. v. Umbro International Inc.*, 529 S.E.2d 80, 259 Va. 759, 54 USPQ2d 1738 (Va. 2000) (holding that Internet domain name registered to judgment debtor is not a "liability" subject to garnishment under Virginia's creditors' remedies law, since registrant's contractual right to use unique domain names for specified period of time is inextricably bound to domain name services provided by registrar and thus does not exist separate and apart from registrar's services, and domain name registration thus is product of contract for services)

• May 3, 2000: *Lucent Technologies Inc. v. Lucent sucks.com*, 95 F. Supp. 2d 528, 54 USPQ2d 1653 (E.D. Va. 2000) (dismissing action for lack of jurisdiction, holding that plaintiff gave defendant adequate notice of action and therefore failed to satisfy jurisdiction requirements for *in rem* action against defendant under Anticybersquatting Act; trademark owner contemplating *in rem* action against Internet domain name must wait more than eight days between sending notice and filing action)

• May 16, 2000: *Euromarket Designs, Inc. v. Crate & Barrel Ltd.*, 96 F. Supp. 2d 824 (N.D. Ill. 2000) (denying motion to stay and motion to dismiss for lack of subject matter jurisdiction, where defendant Irish retailer operated interactive website allowing Illinois residents to order goods from Illinois for shipment to foreign address; holding that defendant could be sued in Illinois by Illinois plaintiff for violation of Lanham Act; stay of proceedings would not provide full justice to litigants, parallel litigation in Ireland would not be adequate vehicle for complete and prompt resolution of Lanham Act and related state claims)

forum by directing business at Texas residents and making sales to residents of Texas, notwithstanding that neither defendant (1) has offices, sales agents, or other representatives in Texas; (2) has a registered agent, owns or leases real or personal property, or has bank accounts or telephone listings in Texas; (3) has marketed its products in, directly advertised in, or sent sales representatives to Texas; or (4) is licensed to do business or has paid taxes in Texas; and Minnesota defendant made no sales to Texas customers although New York parent sold approximately twenty-four orders for computer glasses bearing unrelated trademark to Texas residents representing fewer than 1 percent of New York defendant's total sales)

- **May 18, 2000:** *Porsche Cars North America Inc. v. Spencer*, 55 USPQ2d 1026 (E.D. Cal. 2000) (holding that "porschesource.com" violated Anticybersquatting Act and granting preliminary injunction where domain name would dilute famous mark and where owner had registered and was trafficking in name with bad faith intent to profit)

- **June 9, 2000:** *Porsche Cars North America Inc. v. allporsche.com*, 215 F.3d 1320, 55 USPQ2d 1158 (4th Cir. 2000) (remanding case for consideration of whether Anticybersquatting Act permits *in rem* civil action against domain name for federal trademark dilution under § 43(c) of Lanham Act, vacating 51 F. Supp. 2d 707, 51 USPQ2d 1461 (E.D. Va. 1999))

- **June 12, 2000:** *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915 (E.D. Va. 2000) (granting plaintiff's motion for summary judgment, requiring defendant to transfer registration of domain name “peta.org,” derived from “People Eating Tasty Animals”; holding that defendant used mark “in connection” with goods and services where website contained hyperlinks to commercial operations offering goods and services; rejecting defendant’s “parody” defense where user would not realize that website was not official site of plaintiff until he used plaintiff's mark to access site)

- **June 27, 2000:** *Washington Speakers Bureau Inc. v. Leading Authorities Inc.*, 217 F.3d 843 (4th Cir. 2000) (requiring defendant to transfer domain names infringing “Washington Speakers Bureau” trademark, holding plaintiff's mark has secondary meaning)

- **June 30, 2000:** *McCrae’s, Inc. v. Hussain*, 105 F. Supp. 2d 594 (S.D. Miss. 2000) (denying motion to dismiss for lack of personal jurisdiction under Anticybersquatting Act where defendant domain name registrant did not merely operate infringing website, interactive or otherwise, but allegedly intended to register domain names with bad faith to profit by extorting money from Mississippi trademark owner who was only legitimate potential buyer of name)


- **July 13, 2000:** *America Online Inc. v. Huang*, 106 F. Supp. 2d 848, 55 USPQ2d 1560 (E.D. Va. 2000) (holding that Internet domain name registration agreements between defendant and domain name registrar located in Virginia are not sufficient contacts with Virginia for exercise of personal jurisdiction over non-resident defendant in action under Anticybersquatting Act, and neither circumstances of agreements’ execution nor relationship of agreements to forum are sufficient to establish personal jurisdiction)

- **July 13, 2000:** *Mattel Inc. v. Internet Dimensions Inc.*, 55 USPQ2d 1620 (S.D.N.Y. 2000) (holding that defendants’ registration and use of Internet domain name “barbiesplaypen.com” for adult entertainment site, with bad faith intent to profit from plaintiff’s “Barbie” trademarks, constitutes cybersquatting and dilution)

July 24, 2000: *Telebyte Inc. v. Kendaco Inc.*, 105 F. Supp. 2d 131, 56 USPQ2d 1150 (E.D.N.Y. 2000) (dismissing domain name dispute for lack of personal jurisdiction pursuant to New York Civil Procedure Rule 302(a)(2), which allows New York courts to exercise jurisdiction if party commits tortious act within state; rejecting plaintiff's contention that Section 302(a)(2) can be invoked merely because defendant offers products for sale to New York residents via defendant's website; also declining to exercise jurisdiction under Section 302(a)(3), which allows personal jurisdiction if party regularly does or solicits business in state, where defendant's website provides Washington State telephone numbers and company does not derive substantial income from New York)

July 24, 2000: *Harrods Ltd. v. Sixty Internet Domain Names*, 110 F. Supp. 2d 420, 56 USPQ2d 1048 (E.D. Va. 2000) (dismissing claim under Anticybersquatting Act, holding that domain name owner's bad faith intent to profit is necessary element of *in rem* action; rejecting argument that Congress intended *in personam* and *in rem* causes of action to have separate elements)

August 18, 2000: *Bancroft & Masters Inc. v. Augusta National Inc.*, 223 F.3d 1082, 55 USPQ2d 1941 (9th Cir. 2000) (holding that trademark owner's letter of protest to Virginia domain name registrar about California domain name registrant established specific personal jurisdiction for California court to hear declaratory judgment claim of alleging no trademark infringement)

August 22, 2000: *Amberson Holdings LLC v. Westside Story Newspaper*, 110 F. Supp. 2d 332 (D. N.J. 2000) (granting motion to dismiss for lack of personal jurisdiction, holding that defendant's use of New Jersey Web server for operation of website did not establish sufficient minimum contacts, where access to website reflected nothing more than telephone call by district resident to defendant's computer servers and only possible connection to forum was host server that channeled flow of information; *accord*, *Stewart v. Vista Point Verlag*, No. 99 Civ. 4225 (LAP) (S.D.N.Y., Sept. 29, 2000) (holding that German publisher did not subject itself to jurisdiction in New York State by publishing guidebook to New York City, accepting order for book from plaintiff, or maintaining advertising website accessible to New York residents)


August 28, 2000: *A Touch of Class Jewelry Co. v. J.C. Penny Co., Inc.*, No. 98-2949 (E.D. La. 2000) (granting defendant's motion *in limine* to exclude evidence of plaintiff's domain name registrations in action for willful trademark infringement, where registration of domain names did not constitute trademark use and was therefore irrelevant)

September 8, 2000: *Banco Inverlat S.A. v. www.Inverlat.com*, 112 F. Supp. 2d 521 (E.D. Va. 2000) (holding that court has discretion in *in rem* proceeding to excuse statutory requirement of notice by publication where plaintiff demonstrated that domain name registrant had notice of proceeding by traditional mail and e-mail)

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September 13, 2000: Lucent Technologies, Inc. v. Johnson, 56 USPQ2d 1637 (C.D. Cal. 2000) (denying motion to dismiss, holding that plaintiff stated claim for relief under Anticybersquatting Act by alleging that defendant's "lucentsucks.com" was confusingly similar to plaintiff's mark and that display of pornographic material and attempt to sell name to plaintiff for $10,000 evidenced bad faith intent to profit from mark)

September 19, 2000: Greenpoint Financial Corp. v. The Sperry & Hutchinson Co., Inc., 116 F. Supp. 2d 405 (S.D.N.Y. 2000) (denying preliminary injunction where plaintiff failed to show likelihood of success on claim that defendant's use of "GREENPOINTS" and domain name "greenpoints.com" constituted infringement or dilution; holding that presumption of harm was rebutted where plaintiff delayed four months in requesting injunctive relief, and that plaintiff's mark was geographically descriptive absent proof of secondary meaning)

September 25, 2000: Northland Ins. Co. v. Blaylock, 115 F. Supp. 2d 1108 (D. Minn. 2000) (denying preliminary injunction, holding that registration and use of domain name containing insurance company's trademark for purpose of criticizing insurance company was not infringing; rejecting "initial interest confusion" argument where defendant did not trade on value of plaintiff's mark, and website operator lacked bad faith intent to profit from his registration and use of domain name)

October 25, 2000: Deleo v. Zconnexx Corp., No. 00-CV-0319E(F) (S.D.N.Y. 2000) (denying preliminary injunction where plaintiffs failed to show irreparable harm or likelihood of success on claim that defendants conspired to deprive plaintiffs of right to use generic domain name "yellowpage.net")

October 30, 2000: Electronics Boutique Holdings Corp. v. Zuccarini, No. 00-4055 (E.D. Pa. 2000) (awarding costs, attorney fees and $100,000 statutory damages to plaintiff per infringing domain name where defendant registered confusingly similar misspelled domain names with bad faith intent to profit from plaintiff's mark)

November 7, 2000: Hasbro Inc. v. Clue Computing Inc., No. 00-1297 (1st Cir. 2000) (affirming district court decision that Internet domain name "clue.com" neither infringes nor dilutes trademark rights in "Clue" name for board games, affirms 66 F. Supp. 2d 117, 52 USPQ2d 1402 (D. Mass. 1999); district court reasonably refused to undertake "initial interest confusion" analysis where products and services had no relationship; "Clue" was not "famous" for board games within meaning of Federal Dilution Act and clue.com did not blur or tarnish Hasbro's mark; declining to address disagreement among courts on retroactivity of Dilution Act as immaterial to outcome of case)

December 8, 2000, Register.com v. Verio Inc., 126 F. Supp. 2d 238 (S.D.N.Y. 2000) (granting preliminary injunction, holding that use of software program or "robot" to access Internet domain registrar's database for contact information of registrants constitutes trespass to chattels and violated Computer Fraud and Abuse Act, 18 U.S.C. § 1030 et seq.)

December 18, 2000, eCash Technologies Inc. v. Guagliardo d/b/a ecash.com, 127 F. Supp. 2d 1069, 57 USPQ2d 1605 (C.D. Cal. 2000) (holding that registration of domain name by itself does not give registrant any rights in trademark that is the same as the domain name).