

UIC John Marshall Journal of Information Technology & Privacy Law

Volume 25
Issue 4 *Journal of Computer & Information Law*
- Symposium

Article 5

2008

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Recommended Citation

Christine Haight Farley, Convergence and Incongruence: Trademark Law and ICANN's Introduction of New Generic Top-Level Domains, 25 J. Marshall J. Computer & Info. L. 625 (2008)

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CONVERGENCE AND INCONGRUENCE: TRADEMARK LAW AND ICANN'S INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS

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This essay participates in a larger discussion of the convergence between law and technology by analyzing an example in trademark law that has not gotten as much attention as it deserves: ICANN's new policy on introducing new generic top-level domains ("gTLDs"). This policy is certainly located at the intersection of technology and law. I argue that in this example, the convergence is problematic because many of the technical strategies and legal concepts involved are treated as if they are congruent. They are not.

Recall the old debate, circa 1999, between Judge Frank Easterbrook and Professor Larry Lessig about cyberspace and the law of the horse. In this debate, Easterbrook said, "Let us not struggle to match an imperfect legal system to an evolving world that we understand poorly."¹ In his published retort, Larry Lessig challenged Easterbrook and others who shared the same view. The mistake they make is to wrongly assume the design of cyberspace cannot be changed.²

The example discussed within this Article speaks to both Easterbrook and Lessig's concerns about conventional thinking on law and cyberspace, but also raises a third point. In this example of convergence, we have the designers of the space, ICANN, using law to alter the architecture of that space. This is not a case in which law is being used after

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1. See Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, 1996 U. CHI. LEGAL F. 207.

2. See Larry Lessig, *Commentaries: The Law of the Horse: What Cyberlaw Might Teach*, 113 HARV. L. REV. 502 (1999).

the fact to control the chaos that has emerged because of technology or the architecture of cyberspace. Instead, this is a preemptive move to appropriate a legal principle in order to shape technological change.

A brief explanation of the new policy is in order. The Internet Corporation for Assigned Names and Numbers or ICANN, is the body that governs the Internet's infrastructure. At present, ICANN has accredited fifteen gTLDs operating on the internet such as .com, .net, .edu, as well as less familiar ones such as .mobi, .info, .jobs and .biz.³ Recently, ICANN approved a new policy that would allow it to accept or reject applications for additional gTLDs. What makes this new policy radical is that it is not meant to just provide a handful of new gTLDs. Nor is it meant to provide a set a period for applications or specific ideas about what areas these new gTLDs will designate. Instead, what ICANN is considering is a uniform system to approve generic top level domains that is expected to have profound implications. ICANN expects to approve hundreds of new gTLDs annually in the future.⁴ It is possible that eventually thousands of new gTLDs will be approved eventually.

The profound change that ICANN expects is delineated on their website: "New generic top-level domains may change the whole way we approach the Internet in the future."⁵ Under this new plan anyone can apply for a new gTLD at any time and it could be literally dot *anything*.

Incredibly enough, this policy is almost completely under way. The Generic Names Supporting Organization ("GNSO") a subgroup within ICANN, drafted the proposed policy. In June, the President and CEO of ICANN, Dr. Paul Twomey, stated that the board had "accepted a recommendation from its global stakeholders that it is possible to implement many new names to the Internet."⁶ However, before ICANN can introduce this new system another final draft of the implementation plan must be approved by the board, which is set to be published in early 2009.⁷ Assuming that the plan will be approved by the ICANN board, the applications for new domain names will be available as early as the second half of 2009.⁸

3. See INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS, SEMI-ANNUAL REPORT (2007), available at <http://www.icann.net/compliance/reports/contractual-compliance-audit-report-18oct07.pdf>.

4. See, e.g., Danny Younger, *Languages in the Root: A TLD Launch Strategy Based on ISO 639*, http://www.circleid.com/posts/languages_in_the_root_a_tld_launch_strategy_based_on_iso_639 (last visited Nov. 8, 2008) (stating that more than 400 language-associated TLDs alone, are currently being proposed).

5. See 30th International Public ICANN meeting, <http://losangeles2007.icann.org/> (last visited Nov. 18, 2008).

6. See Biggest Expansion in gTLDs Approved for Implementation, <http://www.icann.org/en/announcements/announcement-4-26jun08-en.htm> (last visited Nov. 18, 2008).

7. *Id.*

8. *Id.*

Through the Draft Final Report, ICANN has explicitly stated its intention to make the gTLD application process open and transparent. Indeed, the Draft Final Report has focused the issues and prompted a useful discussion. However, because the new gTLD policy imports certain concepts and doctrines from trademark law in an effort to address architecture issues, this policy would result in long-term problems both for domain names and for trademark law jurisprudence.

The proposal includes twenty recommendations. This Article focuses only on the three recommendations that rely heavily on trademark law concepts. Interestingly, the first recommendation espouses the principles of fairness, transparency and non-discrimination. The second recommendation deals with trademark rights. So just in terms of placement, we can see how highly trademark rights are valued by this organization.

RECOMMENDATION 2: "STRINGS MUST NOT BE CONFUSINGLY SIMILAR TO AN EXISTING TOP-LEVEL DOMAIN."⁹

In this recommendation, it appears the Committee is conflating two distinctly different concepts: confusing similarity and likelihood of confusion. The Draft Final Report states that, "'confusingly similar' is used to mean that there is a likelihood of confusion."¹⁰ However, confusingly similar is a different legal standard than likelihood of confusion. The Committee appears to base this recommendation on Section 3.7.7.9 of the ICANN Registrar Accreditation Agreement, which implies the legal standard is consistent. However, that section of the ICANN Agreement explicitly employs the standard of infringement, which is a likelihood of confusion.

A determination about whether use of a mark by another is "confusingly similar" is simply a first step in the analysis of infringement. As the Committee correctly notes, visual, phonetic and conceptual similarities will be taken into account. However, this determination does not end the analysis. For example, Delta Dental and Delta Airlines are confusingly similar, but are not likely to cause confusion, and therefore do not infringe. As U.S. trademark law clearly states the standard for infringement is whether the use of a mark is such "as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive."¹¹ While it may be that most cases of confusing similarity are likely to cause confusion, because

9. See DRAFT FINAL REPORT OF THE GNSP NEW TLDs COMMITTEE ON THE INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS 2.iii (2007), available at <http://gnso.icann.org/drafts/pdp-dec05-draft-fr.htm>.

10. See *id.*

11. See Lanham Act, 15 U.S.C. § 1051(3)(d) (2007).

the infringement standard takes into account how and where the mark is used, some cases of confusing similarity likely will not cause confusion.

In trademark law, where there is confusing similarity and the mark is used on similar goods or services, a likelihood of confusion will usually be found. European trademark law recognizes this point perhaps more readily than U.S. trademark law. As a result, sometimes “confusingly similar” is used as shorthand for “likelihood of confusion.”¹² However, these concepts must remain distinct in domain name policy where there is no opportunity to consider how the mark is being used. As applied to domain names, the only level of analysis is the first level of analysis: confusing similarity.

This policy proposes comparing existing second level domains with proposed dot generics. Consider `www.amazon.com` versus an application for `.amazon`, where `.amazon` might be a top-level domain dedicated to the study of all things having to do with the Amazon. These two applications are certainly confusingly similar. They are identical words, therefore they would fail the test provided by this ICANN proposal. However, this hypothetical is acceptable under trademark law because the analysis considers the context of the use.¹³

A related problem with this recommendation is that it equates domain names with trademarks as legally protectable properties. They are not. Trademarks are legally protected intellectual property because the commercial use of a mark by another that is likely to cause confusion would injure consumers. Also, trademarks are legally protectable intellectual property because their owners have developed valuable goodwill in the marks. Neither of these conditions of legal protection applies in the case of domain names that are not trademarks. Under this scenario, my university, because it has registered the domain name `www.american.edu`, would be able to prevent anyone from applying for the new top level domain of `.american`, or even `.america`, simply by virtue of owning the `www.american.edu` domain.

Moreover, it is not clear what consumers would be confused about when encountering a string that is confusingly similar to an existing top-level domain. Unlike trademarks, strings are not inherently commercial communication means, and therefore it does not follow that consumers would incorrectly assume that the string would indicate source of origin. For example, `www.getty.museum` does not suggest to consumers a connection with `www.museum.com`.

12. See Statement of the Non-Commercial Users Constituency, IP Justice: An International Civil Liberties Organization Promoting Balanced Intellectual Property Laws and Free Expression, <http://ipjustice.org/wp/2008/02/20/domain-names-are-bigger-than-trade-marks-icanns-new-consumer-protection-role/> (last visited Nov. 18, 2008).

13. Similarly, another bookstore, `www.borders.com`, might present a new gTLD for `.borders` dedicated to the study of border issues.

Beyond top-level domains, the Draft Final Report states that “strings should not be confusingly similar either to existing top-level domains like .com and .net or to existing trademark and *famous names*.”¹⁴ The Draft Final Report notes that the Committee relied on “a wide variety of existing law” to reach this standard.¹⁵ And yet, “famous names” is not a legal category under any trademark law. International trademark law grants rights to “well-known marks”¹⁶ and to “trade names,”¹⁷ and U.S. law grants rights to “famous marks,”¹⁸ but “famous names” seems to be a construct created by the Committee. Clearly, the domain name policy should protect only recognized intellectual property.

RECOMMENDATION 3: “STRINGS MUST NOT INFRINGE THE EXISTING LEGAL RIGHTS OF OTHERS THAT ARE RECOGNIZED OR ENFORCEABLE UNDER GENERALLY ACCEPTED AND INTERNATIONALLY RECOGNIZED PRINCIPLES OF LAW.”¹⁹

There are simply too many legally recognized trademarks in the world to make this recommendation workable. The United States alone registers well over 100,000 trademarks each year and there were 1,322,155 active certificates of registration last year.²⁰ In the United States, state registered trademarks and common law trademarks are also legally recognized. Protected trademarks include commonly used words, geographical terms, names, and fanciful words.

Examples of trademarked words that may therefore be unavailable as a new gTLD under this recommendation include McDonald’s SMILE®, Microsoft’s WINDOWS®, and Macintosh’s APPLE®. It is difficult to understand what public purpose is served by prohibiting the use of these commonly used terms. For example, a trademark owner that

14. See DRAFT FINAL REPORT OF THE GNSO NEW TLDs COMMITTEE ON THE INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS 2.iii (2007), available at <http://gnso.icann.org/drafts/pdp-dec05-draft-fr.htm> (emphasis added).

15. *Id.*

16. See Paris Convention, at Article 6*bis* (1979), available at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html [hereinafter Paris Convention].

17. See Paris Convention, at Article 1 available at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html (“The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.”).

18. 15 U.S.C. § 1127(c) (2007).

19. See DRAFT FINAL REPORT OF THE GNSO NEW TLDs COMMITTEE ON THE INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS 2.iii (2007), available at <http://gnso.icann.org/drafts/pdp-dec05-draft-fr.htm>.

20. In 2006, the USPTO reported that 147,118 trademarks were registered. See U.S. PATENT AND TRADEMARK OFFICE, PERFORMANCE AND ACCOUNTABILITY REPORT FISCAL YEAR (2006), available at http://www.uspto.gov/web/offices/com/annual/2006/50315_table15.html.

has been allowed registration due to an arbitrary association between a mark and a business may be able to prevent a community who would use it in a purely descriptive sense. More perplexing is that under this rule, the Cherokee Nation would be unable to use CHEROKEE as a gTLD because some automobile company is said to have prior rights under this policy.

Also U.S. law provides the defense of fair use where a trademark owner has captured a descriptive term. Then, competitors are free to employ it so long as they do not use it as a mark. A gTLD is necessarily a use not as a mark. A second level domain maybe, but definitely not a gTLD.

RECOMMENDATION 6: "STRINGS MUST NOT BE CONTRARY TO
GENERALLY ACCEPTED LEGAL NORMS RELATING TO
MORALITY AND PUBLIC ORDER THAT ARE ENFORCEABLE
UNDER GENERALLY ACCEPTED AND INTERNATIONALLY
RECOGNIZED PRINCIPLES OF LAW."²¹

The Committee is correct that a variety of trademark legislation restricts trademark registration based on some notion of offense or immorality. Unfortunately, the Committee seeks to extend this trademark law concept to domain name policy. This extension is not a natural one and presents many problems in its application.

Where these content restrictions exist in trademark law, they are understood as merely restricting the registration of trademarks, not the use of such trademarks. That is, under certain legislation a trademark may be deemed unregistrable, but the trademark owner may still use the trademark in commerce and may even have the benefit of legal protection over the trademark.²² The only restriction is that the trademark owner is denied certain benefits of registration.

The United States has such a content restriction in its trademark law.²³ What saves this legislation from violating the First Amendment is that it is not a restriction on use; it is merely a restriction on certain legal benefits deriving from federal registration. Any restriction of the use of the trademark would need to comply with the First Amendment.

21. See DRAFT FINAL REPORT OF THE GNSP NEW TLDs COMMITTEE ON THE INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS 2.iii (2007), available at <http://gnso.icann.org/drafts/pdp-dec05-draft-fr.htm>.

22. Unregistered marks are granted legal protection under U.S. federal law. See 15 U.S.C. § 1157(a) (2007).

23. 15 U.S.C. § 2(a) (2007). Under U.S. law, marks can be refused registration if they are regarded as "immoral or scandalous." *Id.* However, even if a mark is found to be immoral and therefore unregistrable, a mark owner may still use the mark to market its goods in commerce and may still avail itself of federal trademark protections including bringing suit in U.S. courts. *Id.*

For instance, a mark may be restricted from use where it has been found to be obscene. Obscenity is a legal category whose threshold is well above the category of immoral or offensive speech.

The restriction of a generic top-level domain is more akin to the restriction on use than to the restriction on federal trademark registration. Restricting offensive words in gTLDs would restrict the ability of all speakers, commercial and non-commercial, thus ICANN should consider legal models outside of trademark law to better address the balance of speech rights. This recommendation incorrectly conflates use and registration in domain name policy.

This recommendation also illustrates the lack of fit between trademark law and domain name policy. Trademark law is territorial in nature, therefore legal standards reflect the consumer perspectives of the particular state. These standards are thus expected to vary from state to state. One way this occurs is the way consumers respond to marks in one state may differ from the way consumers would respond to the same mark in another state. Trademark content restrictions are similar in approach. For instance, under U.S. trademark law, a mark will be refused registration if it is deemed to be scandalous or immoral when considered from the perspective of "a substantial composite of the general public."²⁴ The "public" is understood to mean the U.S. public.²⁵ To extend this legal standard to domain names it is necessary to consider a substantial composite of the general public of the entire world, not just the United States. This is obviously an unworkable standard. Even if it were a workable standard, it results in the lowest common denominator analysis much like obscenity analysis over the Internet. Thus, for example, .democracy, .gayrights, and .jesus, may all be refused as being morally offensive to the least tolerant society.

Moreover, trademark law standards are always applied in the context of how a consumer would encounter the mark. Thus, the USPTO and the courts consider the entire label, what products or services are sold under the mark, and what channels of commerce and marketing will be used. As a result, marks challenged as being scandalous may in fact be found to have a double entendre.²⁶ Thus, the extension of this trademark law standard to domain name policy risks prohibiting words as generic top-level domains that could be used in inoffensive ways. For example, it may be possible to register the word Nazi as a mark if the

24. See, e.g., *In re Mavety Media Group*, 33 F.3d 1367 (Fed. Cir. 1994).

25. For this reason, different jurisdictions apply different protections. For example, "feta" is legally understood in the E.U. to be a product of Greece, whereas U.S. consumers would probably recognize it as a type of cheese that can be produced anywhere.

26. See, e.g., *In re Hershey*, 6 U.S.P.Q.2d 1470 (T.T.A.B. 1988) (finding the mark was not scandalous when considered in the context of the design that accompanied it).

context of the use conveys a meaning that is not scandalous to a substantial composite of the public, such as in Soup Nazi.

A few other observations are in order. First, under U.S. trademark law, in cases of doubt or ambiguity, both the USPTO and the Federal Circuit will pass the mark to publication to give others the opportunity to object.²⁷ If ICANN decides to employ any content restrictions, it should err on the side of permitting the speech as a rule.

Second, the Paris Convention permits rather than requires content restrictions. Article 6*quinquies* of the Paris Convention merely allows a Member state to deny registration to a mark duly registered in another Member state on the grounds of morality or public order.²⁸ This article makes clear the expectation that a mark may be acceptable in one state, while it is offensive in another. The WTO TRIPS Agreement is silent on content restrictions.²⁹

Finally, the provision in U.S. trademark law that prohibits registration of scandalous or immoral marks is little known or utilized.³⁰ Furthermore, the majority of challenges brought under this provision are brought by third parties and not the USPTO.

CONCLUSION

So, what is at stake here? What does it matter if a group of techies at ICANN do not fully understand the nuances of trademark law? Jonathon Zittrain argued that domain name policy is of no consequence and that nobody should bother themselves with domain name policy because we rely so heavily on search engines, domain name policy simply does not matter. The opposing view is that domain name policy *does* matter because changes in policy such as this one may create a slippery slope where a technical organization like ICANN slides into a more prominent position in Internet governance.

But of greater concern in this particular convergence of law and technology is the incongruence between trademark and domain names. It is important to note this general lack of equivalence between trademark law and domain name policy. For instance, trademark law the world over is fundamentally based on the concept of territoriality. Thus, trademark law seeks to protect regionally-based marks and market-

27. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19.77 (4th ed. 2007).

28. See Paris Convention, at Article 6 *quinquies* available at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html (stating that marks duly registered in another Member state may be refused registration "when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public").

29. See TRIPS: AGREEMENT ON TRADE RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS §2, available at http://www.wto.org/english/tratop_e/trips_e/t_agm3_e.htm#2.

30. 15 U.S.C. § 1052(a) (2007).

based marks without implication for the protection or availability of that mark in another region or market. In contrast, domain names have global reach, are accessible everywhere and have implications for speech around the world.

Likewise, trademark protections hinge on what the relevant consumer thinks. Again, the law considers the viewpoints of consumers of a particular country, region or market, and acknowledges the variability of these viewpoints across regions. Domain names are not directed to a certain class or geographical region of consumers—they are accessible to all. Therefore, to take account of consumers' viewpoints, it would be necessary to consider a global public. The resulting one-size-fits-all approach would be anathema to trademark law in that it would leave consumers confused in one place, while unjustifiably denying speech rights in another.

Finally, trademarks rights are not applied abstractly or in theory, but are always considered in context. Thus, in order to determine whether the use of a mark by another would likely cause confusion, it is necessary to analyze how the mark is used in commerce. Consideration will be given to what goods or services bear the mark, what overall design or color scheme accompanies the use of the mark, what the level of consumer sophistication is, and what marketing channels are used. The gTLDs are necessarily abstract. We cannot know in advance what the content of a website hosted on a certain domain will be. It is therefore impossible to make fine-tuned conclusions about the appropriateness of certain domains. Trademark rights have legal limits and defenses. For these reasons, I strongly urge domain name policy makers to consider carefully the appropriateness of importing trademark law concepts into domain name policy.

What is at stake here is the risk that fundamental principles of trademark law will lose their force. Concepts such as territoriality considering marks in context and considering consumers' perceptions act as important limitations on the rights of trademark owners. Stated succinctly, my fear is that this policy wrenches trademark law out of its practice with limitations and defenses poses a danger to expression for domain names and trademarks. This risk should be of concern to anyone who cares about trademark policy.

