

A Primer

By Jeffrey A. Vinnick

The growth of the Internet and its implication for counsel who represent small- and medium-size businesses.

Guiding Your Clients down the Information Highway

The 1990s brought about an explosion of commercial use of the Internet, which has continued to increase dramatically in the 21st century. This comes as no surprise to the reader, who is likely sitting in front of a PC

with a PDA close at hand. Businesses that offer a myriad of goods and services, such as hotel chains, airlines, department stores, and those catering to adult entertainment, to name a few, continue to purchase domain names and post websites to promote and sell their goods and services. Despite the dramatic downturn in the U.S. and world economies, which has taken a toll on Internet retail sales, and perhaps due to present economic conditions, small- and medium-size businesses that have not availed themselves previously of the Internet are posting websites and linking their sites to others, to increase their exposure and increase sales. U.S. Census Bureau, Business & Industry, Monthly and Annual Retail Trade, <http://www.census.gov/econ/retail.html>.

The increasing use of the Internet for commerce, and pending legislation regarding commercial use of the Internet, will have profound legal implications for all businesses, requiring them to devote resources to ensure that their intellectual property rights, and the rights of others, are

not violated to avoid unknowingly exposing themselves to litigation arising from their websites.

Attorneys who represent small- and medium-size businesses will likely be called upon to provide their clients with legal advice in response to myriad questions, whether you focus on copyright or trademark law or not, concerning commercial websites. Issues that you will need to consider include personal jurisdiction, freedom of speech, and trademark and copyright. The following discussion focuses on Internet “basics” and several prevalent and timely questions concerning which clients will likely call upon counsel for guidance.

Internet Basics

The World Wide Web and Domain Names

The Internet is an international network of interconnected computers used by more than 150 million individuals, companies, organizations, and educational institutions worldwide to exchange data, information, and ideas. Although the Internet permits a



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variety of communication, the best-known category of communication is the “World Wide Web.” The expansion of the web has also been accompanied by its own vocabulary. A practitioner should become familiar with some of the most commonly used words and acronyms that will arise in conversation regarding commercial Internet usage. Several of the most common terms

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and acronyms are listed in Appendix A on p. 60.

The Internet consists of webpages. A webpage is a document written in HTML language—hypertext markup language. A webbrowser, such as Internet Explorer, will translate this language so that computer owners can provide information written in hypertext, or HTML, stored on their computers to other users connected to the Internet through these webpages. In general, webpages are publicly available and accessible through computers connected to the Internet and accessed through the browser. Websites are collections of webpages. A search engine, such as the one operated by Google, is a software program that automatically accesses thousands of websites and indexes them within a database stored on Google’s computers. Google’s search engines can provide results in the form of text, images, or videos.

To post content on the web, a user must have an Internet domain name, which serves as an address through which a user’s website can be located. The “web address” for a site typically consists of the letters “www” and a domain name, such as “dri.org.” Domain names consist of at least two parts: a top-level domain, for example, “.com” and a second-level domain, for example, “.scad.”

Savannah College of Art and Design, Inc. v. Houeix, 369 F. Supp. 2d 929, 2004 U.S. Dist. LEXIS 28134 (S.D. Ohio).

Internet Retail Sales Statistics

Retail sales on the Internet, though down approximately 10 percent from last year, remain impressive. For the month of May 2009, Internet sales estimates for the health, food and beverage, general merchandise sales, electronics, and mail-order industries, were estimated to collectively reach in excess of one billion dollars. U.S. Census Bureau News, U.S. Department of Commerce, June 14, 2009.

Business owners in the early stages of developing and using websites to advertise and sell their goods and services typically have common questions about their website and their legal rights and obligations. Several of those questions are discussed below.

Can My Business Be Hauled into Court Wherever Someone Accesses Its Website?

Personal Jurisdiction

The benefit of the Internet for commerce is that it will allow your clients to reach customers in dramatically large geographic areas. However, the global reach of the Internet opens businesses to lawsuits in jurisdictions in the United States and other countries not otherwise permitted under traditional laws pertaining to personal jurisdiction. Courts continue to address whether the maintenance of an Internet website is sufficient, either alone, or combined with other facts, to confer court jurisdiction over the party maintaining the website. Although the body of law that determines whether a company is subject to personal jurisdiction in a forum if a customer in that forum transacts business on the company’s website is evolving, courts evaluate personal jurisdiction and the Internet by using traditional jurisdictional principles, including the minimum contacts doctrine. *Burger King v. Rudzewicz*, 471 U.S. 462 (1985) (holding that it was constitutionally permissible to sue a nonresident defendant if it “purposefully availed” itself of the privilege of doing business or otherwise acting in the forum state.)

Generally, courts have continued to implement personal jurisdiction principles

using a sliding-scale test, which attempts to measure the degree of interactivity of a website. Whether there will be personal jurisdiction in the customer’s forum depends largely on the degree of “intentionality” with your client’s website. *Mapfre Puerto Rico v. Guadalupe-Delgado*, 608 F. Supp. 2d 255 (D.P.R. May 13, 2009).

Passive Web Sites

Zippo Mfg. Co. v. Zippo Dot Com, 952 F. Supp. 1119 (W.D. Pa. 1997) held that while a “passive” site is not sufficient to support a court’s exercise of jurisdiction over a non-forum-residing site owner, an “interactive” website may support jurisdiction. Passive websites generally do not allow a customer to purchase goods or services. Rather, they do little more than convey information to their visitors, bearing similarity to newspaper advertisements. As a rule, if a website only makes information available and the visitor cannot interact with the site, contact will be insufficient to warrant a court’s exercising personal jurisdiction over the website’s host. *Zippo, supra* at 1124. For example, a passive website that advertises a calendar of events, the names of performers, and provides a telephone number to call to purchase tickets has been found to provide insufficient grounds on which a court can impose its jurisdiction. *Bensusan Restaurant Corp. v. King*, 937 F. Supp. 295 (S.D.N.Y. 1996); *Pitbull Prods. v. Universal Netmedia, Inc.*, 2008 WL 1700196 (S.D.N.Y. 2008)

In *Jennings v. AC Hydraulic A/S*, 383 F.3d 546 (7th Cir. 2004), the court affirmed the dismissal of an action against a Danish company, finding that the maintenance by the company of a passive Internet site was insufficient to support the exercise of jurisdiction by a U.S. district court. Numerous district courts and a few state courts also have followed the same principle. *See, Vista USA, LLC v. Combex Westhem, LLC*, No. C 04-1531 WDB, 2004 WL 1844845 (N.D. Cal. 2004); *LGT Enters., LLC v. Hoffman*, 614 F. Supp. 2d 825 (W.D. Mich. 2009).

Interactive Websites

Today, most websites are interactive, meaning that they allow a visitor to purchase information, services, or merchandise directly from the website. A customer provides information about the information, goods, or services that he or she wishes to purchase,

along with personal information, such as a mailing address and generally, pays online with a credit card. Businesses with websites that permit them to repeatedly enter contracts with residents located in a foreign jurisdiction are typically subject to jurisdiction in the forum where the customer accesses and makes use of the site. An example of a business-related interactive site that has been found subject to personal jurisdiction in the user's forum is a hotel's website on which a customer can reserve and pay for a hotel room. *Snowney v. Harrah's Entertainment, Inc.*, 112 P.3d 28 (Cal. 2005); *Portrait Displays, Inc. v. Speece*, No. C-04-1501 RMW, 2004 WL 1964506 (N.D. Cal. 2004).

The distinction between passive and interactive websites for purposes of determining jurisdiction is not necessarily cut and dried. One variant to the general rule was noted in *Slocum Enterprises, Inc. v. New Generation Devices*, No. CV-04-201-HU, 2004 WL 1879886 (D. Or. 2004), a patent infringement case. The court dismissed this case, finding it did not have jurisdiction, although the website involved was moderately interactive, because the allegedly infringing product was not among the products that could be purchased on the website.

Applying other traditional components of minimum contacts analysis, some courts have attempted to evaluate the extent of contacts with a particular state by considering whether a website was aimed at a particular state. See *Vista USA*, 2004 WL 1844845 (N.D. Cal. 2004); *Breschia v. Paradise Vacation Club, Inc.*, No. 02 C 3014, 2003 WL 22872128 (N.D. Ill. 2003); *In re Ski Train Fire in Kaprun*, No. 01 MDL 1428(SAS), 2003 WL 22909153 (S.D.N.Y. 2003).

Subject Matter Jurisdiction, Venue and Choice of Law

"...As both a means to engage in commerce and the method by which transactions occur, the Internet is an instrumentality of interstate commerce." *United States v. Sutcliffe*, 505 F.3d 944, 953 (9th Cir. 2007). Thus, federal statutes governing interstate commerce can confer subject matter jurisdiction in the federal courts.

Computer communications can determine contract, liability, and venue issues. The California Supreme Court has held that "...(e)mail, like other forms of communication, may in some circumstances cause

legally cognizable injury to the recipient, or to third parties, and may be actionable under various common law or statutory theories... [such as] ... interference with prospective economic relations, interference with contract or intentional infliction of emotional distress." *Intel Corp. v. Hamidi*, 71 P.3d 296, 300 (Cal. 2003).

When contracts are formed through use of a computer, generally, state law will apply. However, a party who attempts to "sneak in" a mandatory arbitration provision that is buried at the end or otherwise hard to find will not succeed. *Specht v. Netscape Communications Corp.*, 306 F.3d 17, 27, 29, 32 (2d Cir. 2002) (applying California contract law).

Do Websites Have the Right to Post Complaints or Comments About My Company? What Can and Should We Do?

The Internet has given a virtually unlimited playing field to individuals to express their opinions—both good and bad—about businesses' goods and services. When comments, complaints, or compliments are made about a business entity on the Internet, they may distort perception about a company's products or services, and trademarks. Opinions that are expressed in chat rooms or on blogs and dedicated websites reach a virtually unlimited audience and can remain in cyberspace indefinitely. The potential long-term effects on a business' reputation, sales, and goodwill can challenge its viability. On the Internet, the rights of U.S. citizens to freely express themselves and the rights of owners of trademarks often conflict.

Gripe Sites and Fan Sites

A gripe site is a website established to criticize a business' products and services. These sites can cause irreparable damage to businesses' reputation. Gripe sites often attempt to attract readers by adding the word "sucks" in the domain name. For example, Famous Restaurants, a hypothetical national chain of family restaurants, registered the domain name "famousrestaurants.com." A gripe site may be registered as "famousrestaurantssucks.com."

Fan sites are websites created by fans of a company or its products or services. These sites can enhance the goodwill identified

with a mark. However, trademark owners often have concerns about fan sites because the sites' use of marks is unauthorized or uncontrolled.

Trademark Rights and Freedom of Speech

Shutting down a gripe or fan site is often not a viable option. The First Amendment of the U.S. Constitution guarantees citizens the right to freedom of speech and to express their views and opinions with some government restriction. These rights include the right to express opinions about businesses and their products and services. U.S. courts generally hold that free speech protection outweighs the proprietary rights of a trademark owner and will not enjoin gripe or fan websites. *Bosely Med. Inst. Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005). See also, *Taubman Co. v. Wefeats*, 319 F.3d 770, 778 (6th Cir. 2003) ("Although other courts have held that a so-called cybersquatter, who registers domain names with the intent to sell the name to the trademark holder, uses the mark 'in connection with the sale of goods,'" their holdings are limited "to such instances where the defendant had made a habit and a business of such practices.") (citations omitted).

Speech posted on a legitimate gripe site is protected if the site does not attempt to sell a product and only consumer comments are made available. In one situation in which the right to free speech has been found to outweigh a trademark owner's rights, a consumer used a website to complain about business dealings with the trademark owner on a site that included a comment section for other consumers to share feedback, which was accompanied by a site disclaimer that the site did not belong to the trademark owner. *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004); *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005).

Challenging a Gripe Site: Practical Considerations

Gripe sites are annoying but often they have little traffic. Challenging a gripe site will necessarily call attention to it. Attention and validation may be exactly what the former employee or disgruntled customer desires. The mere fact that a trademark owner is taking action may cause the speaker to believe that his or her complaints have merit and disturb the trademark owner.



Appendix A

Guardian password: This is one name for the password that Network Solutions allows domain name owners to set to protect their domain names. When a guardian password is in place, all requests to modify the records associated with a domain name must be accompanied by the appropriate password.

HTML: A markup code language used to structure text and multimedia documents and to set up hypertext links between documents, used extensively on the World Wide Web.

Hypertext: Text that is coded using HTML, short for hypertext markup language, so that an action is performed when a block of text, referred to as a link, is activated, usually by clicking on the link. The hypertext may jump to another file on the same or another computer.

Internet Service Provider (ISP): An ISP is an entity that enables connection to the Internet via a SLIP, PPP or ISDN server. ISPs usually provide email accounts, website hosting, and a variety of other Internet and web services.

Keywords: Keywords, also referred to as “meta keywords” or “keyword tags,” are metatags that use words taken from a controlled vocabulary prepared by a search engine. Search engines find keywords in places such as domain names, actual text on webpages, and metatags. The more often a term appears in the metatags and in the text of the webpage, the more likely it is that the webpage will be “hit” in a search for that keyword and the higher on the list of “hits” the webpage will appear.

Metatags: Also referred to as “hidden code,” or “html.code,” are words hidden in the source code of a website that act as an index or reference identifying the context of the website for search engines. *See, Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1062, n.23; 1999 U.S. App. LEXIS 7779; 50 U.S.P.Q.2D (BNA) 1545 (9th Cir. Ca. 1999).

Metatitles: These are used to manipulate a website’s position in a search engine’s search results. The metatitle gives a name to a webpage that identifies the pages in the top of a user’s browser window, in the user’s bookmark lists, and in search engines that index the site automatically.

Phishing: Phishing is a form of identity theft perpetrated through the use of official-looking company websites or emails that lure readers to supply personal information. One trick “phishers” use to misappropriate brand names is to sponsor Internet search engines, in exchange for being allowed to place a link to their own sites on pages that appear when someone lands on a website for a famous brand name. A customer may be led to the phisher’s site and asked to input their e-mail address and other confidential information, thinking they are obtaining information or incentives from the famous brand’s site. The e-mail addresses and other confidential information provided by the unsuspecting customer are often sold or otherwise distributed to spammers. *See, Robert Louis B. Stevenson, Plugging the “Phishing” Hole: Legislation Versus Technology*, 2005 Duke L. & Tech Rev. 6, 6–7 (2005).

Registrar: A registrar is a company in the business of registering domain names. An accredited registrar is permitted to update the domain name database, maintained by the registry directly. Other registrars work through partnerships with accredited registrars. Registrars pay a minimum fee per domain name to a registry for the right to record the ownership of the domain name.

URL: URL is the abbreviation for “Uniform Resource Location,” the unique address given to each file on the World Wide Web, usually in the form <http://server.name.dom/filename.html>.

Weblog: A weblog is a personal webpage or website on the Internet that covers single or multiple topics that are of personal, professional, or social interest to its creator or author, also referred to as “blogs.” A weblog is “Web-based” writing space, much like a real-world diary or journal. *See, 21 J. Marshall J. Computer & Info. L. 439, 440.*

For more information, *see*, <http://www.igoldrush.com/glossary.htm> and <http://webtutor.tamu.edu/lesson1/terms.html>.

If your client has documentary proof that the statements made on a gripe site are untrue, the client may take legal action; however, litigating may exacerbate an already unfavorable situation. Therefore, consider the practicality of taking action. It is unlikely that litigation will change the negative opinions of the gripe site’s owner, and it may even generate unwanted media attention and negative publicity. The gripe site’s owner may post documents associated with the litigation on his or her site, including deposition testimony and verified discovery responses. Consequently, writing a cease and desist letter, litigating the matter, or taking other action that will increase visits to the gripe site, can cause a business more damage than simply ignoring that site.

Fan sites have their own set of problems. These sites may make inaccurate representations about a business’ services or goods or that a trademark owner is not legally able to make.

Another Business Is Using a Domain Name That Is Similar to My Business’ Domain Name. What Can We Do about It?

Cybersquatting

Cybersquatting covers a range of practices loosely defined as deliberate and bad-faith registration of Internet domain names, in violation of the rights of trademark owners, to attain financial gain. *See Panavision Int’l L.P. v. Toepfen*, 945 F. Supp. 1296 (C.D. Cal. 1996); Karen Jacobs Loudon, *Legitimate Businesses Get Caught In the Web: Does The Anticybersquatting Protection Act Go Too Far?* 10 DEL. L. REV. 1 (2008).

Cybersquatters generally use a number of techniques for financial gain. First, an opportunist might attempt to register website names incorporating a famous brand, name, or service. He or she then approaches the holder of the famous trade name or mark and offers to sell a domain name to the trademark or trade name holder. Alternatively, the cybersquatter might put up the domain name for sale to the public or initiate an auctioning process to sell the domain name to the highest bidder, be it the owner of the mark or a third party.

A different technique used by cybersquatters involves collecting advertising dollars for well-known marks. Because cer-

tain well-known programs allow website owners to collect advertising dollars based on the number of “hits” at a site, the use of a well-known trademark can increase the chances of obtaining hits, thereby increasing the profitability of a site.

“Typosquatting” is another common tool in the cybersquatter’s arsenal. To typosquat, a typosquatter registers a domain name that slightly varies from a well-known mark. An opportunist may receive hits on his or her site merely because of a misspelling of the name of the intended website. For example, someone using a search engine such as Bing attempting to locate Famous Restaurant’s website may inadvertently type “Famous Restraunt” or “Famus Restaurant,” which can take that person to the typosquatter’s site. Similarly, Famous Restaurants, which has locations worldwide, registered the domain names “FamousRestaurant.com,” “Famous.Restaurant.net,” and “FamousRestaurant.org.” If a cybersquatter registered the domain name “FamousRestaurant.uk,”—using “uk,” which stands for “United Kingdom,” would also lead a visitor to the typosquatter’s site.

Putting an End to Cybersquatters

There are two primary means of filing complaints against alleged cybersquatters. One is through the Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. §1125(d), and the other is through the Uniform Domain-Name Dispute Resolution Policy.

Anticybersquatting Consumer Protection Act (1999)

The ACPA, 15 U.S.C. §1125(d), provides a cause of action by the owner of a famous or distinctive trademark against the registration, trafficking, or use of a domain name that is identical, or confusingly similar to, the mark, or in the case of a famous mark, dilutes the mark. The trademark owner must prove that the domain name registrant had a bad-faith intent to profit from the mark. *Hamptons Locations, Inc. v. Rubens*, No. 01-CV-5477 (DRH)(WDW), 2009 WL 1584467 (E.D.N.Y. June 4, 2009).

The ACPA offers nine factors for courts to consider in assessing whether a registrant has acted in bad faith to profit from the mark. The factors are:(I) the trademark or other intellectual prop-

erty rights of the person, if any, in the domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (III) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) the person’s offer to transfer, sell or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person’s prior conduct indicating a pattern of such conduct; (VII) the person’s provision of material and misleading false contact information when applying for the registration of the domain name, the person’s intentional failure to maintain accurate contact information, or the person’s prior conduct indicating a pattern of such conduct; (VIII) the person’s registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) the extent to which the mark incorporated in the person’s domain name registration is or is not distinctive and famous.

15 U.S.C.A. §1125(d)(1)(B)(i)(I)–(IX).

Cases have determined that these acts were made with a bad-faith intent to profit from a trademark under ACPA: making false statements when registering a domain name; a pattern and practice of registering domain names of other trademark owners; and with

knowledge of a former employer’s trademarks rights, registering a domain name and then offering to sell the domain name to the trademark owner. *N. Light Tech., Inc. v. N. Lights Club*, 236 F.3d 57 (1st Cir. 2001); *Ace Mortgage Funding, LLC v. Bradford*, No. 1:06-cv-146-SEB-JMS, 2008 WL 687314 (S.D. Ind. Mar. 10, 2008); *Ford Motor Co. v. Catalanotee*, 342 F.3d 543 (6th Cir. 2003).

The distinction between passive and interactive websites for purposes of determining jurisdiction is not necessarily cut and dried.

Available remedies for ACPA violations are:

- a transfer of the domain name to the trademark owner;
- cancellation of the domain name registration;
- an injunction against registering a domain name with the trademark owner’s mark and/or against use of the trademark owner’s mark;
- a recovery of actual damages; or
- statutory damages in an amount not less than \$1,000.00, and not more than \$100,000.00 per domain name.

15 U.S.C. §§1117(d), 1125(d)(2)(D).

The ACPA does have limits. It does not cover situations in which a registrant is not a cybersquatter but instead uses a domain name for some other commercial or expressive purpose, or a combination of both. *See Miriam Clair Beezy, Good Marksmanship*, 29 L.A. LAW. 20, 24 (2006). Some name registrants will use them to attract commercial customers, through advertising, for example. If they can make more money by doing this than by selling domain names, they will not be considered cybersquatters under section 1129(1)(A).

The Uniform Domain-Name Dispute Resolution Policy

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed

in 1998 to coordinate the Internet's naming system throughout the world. ICANN established the Uniform Domain Name Dispute Resolution Policy (UDRP), an expedited administrative proceeding that can resolve most domain name disputes within several months. Uniform Domain Name Dispute Resolution Policy (Aug. 26, 1999), <http://www.icann.org/en/dndr/udrp/policy.htm>. The typical

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On the Internet the rights of U.S. citizens to freely express themselves and the rights of owners of trademarks often conflict.

UDRP proceeding is decided by one panel member, but either the complainant or respondent may ask for a three-person panel. Both discovery and oral argument are not permitted. To prevail in a UDRP proceeding, a trademark owner must prove that:

- the domain name at issue is identical or confusingly similar to a trademark owned by the complainant;
- the domain name registrant has no rights or legitimate interest in the domain name; and
- the domain name was registered or used in bad faith or both.

The first two elements are usually relatively easy for a complainant to prove. The trademark owner must first submit evidence of a trademark registration or a common law right. Once a right is established, the trademark owner must demonstrate that the domain name at issue incorporates the complainant's trademark or a variation or misspelling of the trademark.

The issue most contested in a UDRP proceeding is whether the respondent acted in bad faith. UDRP Rule 4(b) provides several examples of bad faith conduct, including:

- circumstances indicating that the domain name owner has registered the domain name primarily for the purpose of selling or renting the domain name for valuable consideration in excess of out-of-pocket costs;

- circumstances indicating the domain name owner has registered the domain name in order to prevent the owner of the trademark from registering the domain name, provided respondent has engaged in a pattern of such conduct;
- circumstances indicating that the domain name owner is a competitor and registered the domain name in an attempt to disrupt the trademark owner's business;
- circumstances indicating that the respondent is attempting to attract Internet users by creating a likelihood of confusion with the trademark owner's mark.

Uniform Domain Name Dispute Resolution Policy Rule 4(b), <http://www.icann.org/en/dndr/udrp/uniform-rules.htm>.

Under UDRP Section 4c, the respondent can show that he or she has legitimate domain name rights with evidence that the respondent:

- used or prepared to use the name in connection with a bona fide offering of goods or services before any notice of the dispute;
- has been commonly known by the domain name; or
- has made a legitimate non-commercial or fair use of the domain name, without intending commercial gain, misleadingly diverting customers, or tarnishing the mark.

The advantages of a UDRP proceeding are its expediency and cost-effectiveness. The remedies available in a UDRP proceeding are the cancellation or transfer of the domain name.

Should We Proceed with an ACPA or UDRP Proceeding?

When deciding how to proceed, consider the actual nature of potential confusion and whether the use of the mark dilutes the trademark owner's rights. In most cases, a cost-benefit analysis will lead a trademark owner to decide to just leave well enough alone. Perhaps the best advice that you can give your client is to purchase as many of the domain names that the client thinks might be used by cybersquatters. If those sites are already registered, the trademark owner can negotiate to purchase those domain names. Also advise businesses to constantly monitor the Internet for gripe

and fan sites and other sites that may affect the trade name and mark.

Should I Allow Other Websites to Link to My Business Website?

A "link" is a connector placed on a webpage used to bring Internet users from one webpage to another. In clicking on the link, referred to as a hyperlink, a customer will be directed to another page for that website or to a different website. Website owners typically encourage links because they increase traffic on their websites, often resulting in increased sales. However, caution is required because a link may take a visitor from your client's website to one that is offensive or incompatible. Because two sites are linked, a visitor may believe that the two sites are related. See *Playboy Enterprises, Inc. v. Universal Tel-a-Talk, Inc.*, No. CIV. A. 96-6961, 1998 WL 767440 (E.D. Pa. Nov. 3, 1998) (permanently enjoining an operator of a pornography website from linking to Playboy's site). Overall, linking is beneficial because it provides increased visibility to the website containing the link and the website to which the link is directed. On the other hand, the use of unlawful links can result in violations related to copyright and trademark infringement and deceptive practices. Raymond T. Nimmer and Holly K. Towle, *The Law of Electronic Transactions* §§9.01-9.05.

Can I Be Sued for False Advertising Based on Ads Posted on My Businesses' Website?

The Lanham Act's section 43(a)(1)(B) was initially intended to prevent unfair competition. The Trademark Law Revision Act of 1988 (TLRA) completely overhauled section 43(a) and created a private, federal cause of action for false advertising. Bruce P. Keller, *It Keeps Growing and Growing: The Expansion of False Advertising Litigation Under the Lanham Act*, LAW & CONTEMP. PROBS., Spring 1996, at 131. The Lanham Act prohibits commercial advertising or promotion that misrepresents the nature, characteristics, qualities, or geographic origin of the advertiser's or another person's goods, services, or commercial activities. 15 U.S.C. §1125(a)(1)(B).

To establish a claim under the Lanham Act for false or deceptive advertising, a plaintiff must prove:

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- a false statement of fact by the defendant in a commercial advertisement about its own or another's product;
- the statement actually deceived or has a tendency to deceive a substantial segment of the intended audience;
- the deception is material, in that it is likely to influence purchasing decisions;
- the defendant caused its false statement to enter interstate commerce; and
- the plaintiff has been or is likely to be injured as a result of the false statement.

The false statement necessary to establish a Lanham Act violation generally falls into one of two categories: (1) commercial claims that are literally false as a factual matter; and (2) claims that may be literally true or ambiguous but which implicitly

convey a false impression, are misleading in context, or likely to deceive customers. *Bracco Diagnostics, Inc. v. Amersham Health, Inc.*, Civil Action No. 03-6025, 2009 WL 1743699, 2009 U.S. Dist. LEXIS 23560 (D.N.J. Mar. 25, 2009); *United Indus. Corp. v. Clorox Co.*, 140 F.3d 1175 (8th Cir. 1998).

In the Internet context, courts have consistently held that providing information over the web satisfies the commerce requirement of the Lanham Act. *Rescuecom Corp. v. Computer Troubleshooters USA, Inc.*, 4464 F. Supp. 2d 1263 (N.D. Ga. 2005); *CNN L.P. v. cnnnews.com*, 177 F. Supp. 2d 506 (E.D. Va. 2001), *aff'd in part and rev'd in part on other grounds*, 56 F. App'x 599, No. 02-1112, 2003 WL 152846 (4th Cir. 2003), citing *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629 (KMW), 1997 WL 133313 (S.D.N.Y. 1997) (holding that

“the nature of the Internet indicates that establishing a typical home page on the Internet for access to all users would satisfy Lanham Act's in commerce “requirement”). Consequently, clients should use the same care when posting advertisements on the Internet as they do in print and other media.

Whether the economy remains stagnant or becomes robust, the use of the Internet for commercial purposes will surely increase and take new and different forms. Already, businesses have found ways to post advertisements with Twitter. PDAs and other hand-held devices are loaded with applications that will enable consumers to shop in ways never previously envisioned. With technological advancements will come tension with the laws affecting intellectual property and other rights. 