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## Trademark Practice in a Dynamic Economy: More Deals, More Laws, More Resources than ever for the Trademark Practitioner

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### Cover Page Footnote

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## DISCUSSION

### Trademark Practice in a Dynamic Economy: More Deals, More Laws, More Resources than ever for the Trademark Practitioner

Moderator: Jill C. Greenwald<sup>†</sup>  
Panelists: Richard Buchband\*  
              Brian S. Mudge\*\*  
              Susan Douglass\*\*\*  
              Neil S. Greenfield\*\*\*\*

MS. GREENWALD: Good Evening. My name is Jill Greenwald. I welcome you to the third annual panel discussion on trademark practice,<sup>1</sup> cosponsored by the Trademark Law Committee of the New York State Bar Association and the *Fordham Intellectual Property, Media & Entertainment Law Journal*.

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1. This discussion was held on December 1, 1999 in the James B.M. McNally Amphitheater at Fordham University School of Law. Footnotes are provided by the *Fordham Intellectual Property, Media & Entertainment Law Journal*.

I would like to thank Peter Sloane,<sup>2</sup> co-chair of the Trademark Law Committee, and Thaddeus Tracy, Editor-in-Chief of the *Journal*, for assisting me in organizing this event.

Tonight's panel discussion is inspired by the fact that as we approach the new millennium, trademark practitioners are faced with an increasing number of challenges. The Internet has already become a powerful tool. It is at everyone's fingertips and is affecting the way business is done. There are more trademarks and domain names being registered now than ever before. There are more laws being enacted to deal with this increased volume and the new problems that necessarily come up. There are more tools and resources being developed to guide the trademark practitioner through the wealth of available information.

In today's world, new trademarks and domain names are being registered as quickly as they pop into somebody's brain. It is a rare occurrence these days when the results of a trademark search reveal that there is no risk entailed in applying for registration. It is never black and white. There is almost always a gray area. This gray area has resulted in new causes of action and alternative ways of resolving conflicts.

Tonight's panel discussion presents a unique opportunity for you to hear from four distinguished speakers who will each shine some light on the various challenges facing a trademark practitioner. Richard Buchband will give us the in-house corporate perspective. Brian Mudge will discuss recent trademark litigation developments. Susan Douglas will discuss the increased perils of trademark searching. And Neal Greenfield will wrap up with a brief discussion about the many resources available to a trademark practitioner.

Our first speaker is Richard Buchband. Since February of 1998, he has served as senior vice-president and general counsel of Juno Online Services. As I'm sure you already know, Juno is a leading provider of Internet-related services. Before coming to Juno, he was associate counsel at D.E. Shaw and Company, and a corporate and transactional lawyer in New York.

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2. Attorney at Ostrolenk, Faber, Gerb & Sotten, LLP.

At Juno, Richard is responsible for the oversight of Juno's legal, human resources and security policies. He received his A.B. from The Woodrow Wilson School of Public and International Affairs at Princeton University, and his law degree from Columbia. Please join me in welcoming Richard Buchband.

MR. BUCHBAND: Thank you, Jill.

First off, a disclaimer is in order. Jill introduced me as a trademark practitioner. I think it would be more accurate to say that I'm a corporate lawyer masquerading as something of a trademark novice, and it's for that reason that we have experts such as Brian Mudge and others here. So, with that introduction, I'd like to tell you a little bit about Juno and some issues that are important to me.

First, some statistics to underscore the importance of the Internet. The number of Internet users worldwide has been estimated as growing from about 140 million at the end of 1998 to about 502 million by the end of 2003.<sup>3</sup> That growth translates into more people, more names, and more services on the Web. We also see a lot of clutter, we see everybody in the world acting as a publisher. And we're seeing a lot of new issues, as Jill mentioned. What is of particular importance to me is that these issues and challenges become magnified in my position as general counsel at an Internet company.

For this evening I would like to focus on just a couple of issues that are important to me. I think of my job as having two components – there is an offensive component and a defensive component. We will probably only get to the offensive component, but I will mention both. I think of the offensive element as including our names, our business, and our Uniform Resource Locators (URLs).<sup>4</sup> How do we use available tools to build and protect brand identity on the Web? That is the offensive part. The defensive part focuses on controlling business risk in an environment where

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3. See *Internet Users Now Exceed 100 Million*, N.Y. TIMES, Nov. 12, 1999, at C8.

4. A URL is the global address of documents and resources on the World Wide Web. See *URL - Webopedia Definition and Links* (last modified June 24, 1999)<<http://webopedia.internet.com/TERM/U/URL.html>>.

the company's core business involves the exchange of ideas and messages and includes posting other people's communications? That's a different evening's worth of issues and topics. Maybe next year we'll talk about that one.

Jill did a nice job describing our business, to which I owe thanks to Juno's Public Relations department, so I will not spend a lot of time on what we do and who we are. Hopefully, you already recognize the company and our web services. If you don't, please pick up one of our diskettes that's on the table outside.

When people see Juno's trademarks and servicemarks, and see the Juno logo, it is important for them to understand what that brand stands for. And like any executive at a company where brand imagery is important, we at Juno have some qualities, some tenets, that we think the Juno brand represents. Three are particularly important: simplicity and ease of design; ease of use to the novice Internet user; and a mechanism, or a gradual step onto the Internet, for people who are mainstream consumers. So those are key messages that we think are wrapped up in the Juno name and the Juno brand.

To turn a little bit to some legal issues, one of the first things I want to talk about is domain names and URLs, and how to keep cybersquatters<sup>5</sup> away. Some of the issues that we've seen are intertwined with Network Solution Incorporated's ("NSI's")<sup>6</sup> domain-name registration policy.<sup>7</sup>

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5. Cybersquatting dilution is the diminishment of "the capacity of the [plaintiff's] marks to identify and distinguish the [plaintiff's] goods and services on the Internet." *Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1326 (quoting *Panavision Int'l v. Toeppen*, 945 F.Supp. 1296, 1304). A cybersquatter registers a popular Internet address with the intent of selling it to its rightful owner. *Cybersquatting – Webopedia Definition and Links* (last modified Aug. 27, 1999) <<http://webopedia.internet.com/TERM/c/cybersquatting.html>>. See also MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, (Clark, et al. eds., 4th ed., 1996) §§24:29.1, 25:77.

6. NSI was the original provider of .com, .net and .org top level domain names since 1991. However, in January 1998, the Department of Commerce decided to create a competitive domain name registration process and founded Internet Corporation for Assigned Names and Numbers (ICANN). See *Network Solutions Registry, About Us* (last modified June 24, 1998) <<http://www.nsiregistry.com/aboutus/registry.html>>.

7. NSI has adopted a new registration dispute policy that became effective on January 1, 2000. The new policy was approved by ICANN on October 24, 1999. *Uniform*

As most people in the audience know, one of the factors that's contributed to domain-name infringement is the way that domain names were originally assigned by NSI. It was a first-to-file system; there was no examination to determine whether a proposed domain name would infringe any preexisting trademarks.

If I have my history right, it was in 1995 that NSI promulgated some new rules for the assignment of domain names.<sup>8</sup> But that policy—which is essentially the version still in place—can cause some problems, as well. And under the 1995 and 1998 policies, we see an applicant being required to state that the name he's proposing to register doesn't infringe the rights of any third party, and that the applicant doesn't intend to use the name for an unlawful purpose.<sup>9</sup>

Well, I went through this process several years ago, as some members of the audience might know. We were challenged by a company called Juno Lighting Inc. They are an Illinois-based manufacturer of track-lighting fixtures; we're a provider of Internet services. Nobody at our company thought there was any likelihood of confusion. But, nonetheless, the folks at Juno Lighting

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*Domain Name Dispute Resolution Policy* (visited Feb. 4, 2000) <<http://www.domainmagistrate.com/dispute-policy.html>>.

8. See *NSI Domain Name Dispute Policy Statement* (Revision 01, Effective Nov. 23, 1995) (visited Feb. 4, 2000) <<ftp://rs.internic.net/policy/internic-domain-4.txt>>. Paragraph 1(a) of the policy states:

The use or registration of the Domain Name by Applicant, to the best of Applicant's knowledge, does not interfere with or infringe the right of any third party in any jurisdiction with respect to trademark, service mark, tradename, company name or any other intellectual property right.

*Id.*

9. See *Network Solution's Domain Name Dispute Policy* (Rev. 03, effective Feb. 25, 1998) (visited Feb. 4, 2000) <<ftp://rs.internic.net/policy/internic/internic-domain-6.txt>>. Paragraph 2 of the policy states, in part:

The registrant, by completing and submitting the Domain Name Registration Agreement . . . represents that the statements in its application are true and that the registration of the selected domain name, to the best of the registrant's knowledge, does not interfere with or infringe upon the rights of any third party. The registrant also represents that the domain name is not being registered for any unlawful purpose.

*Id.*

went ahead and claimed that our Juno mark, which was in the process of being reviewed by the PTO for a Federal registration, and our existing juno.com domain name, were infringing on their mark in the field of electric-lighting fixtures.

I can't go into detail on this particular dispute, it was settled favorably to us. But one of the things that it taught me, and that I think it demonstrates to other in-house counsel, is how much of a general counsel's time is involved in coordinating and protecting a stable of not only marks, but also the domain names that are associated with them. In the current environment, being able to provide business counseling on URLs, names and trademarks is becoming increasingly important.

One of the things I would like to look at is whether domain names themselves should be accorded trademark protection. And I think the heart of this issue is a very fundamental question of whether or not an Internet address, such as a domain name, can function as a trademark. I know there's been a great deal of debate about whether the domain name serves as a true source identifier, or whether it serves more in the nature of a road sign or an address to assist computer users in reaching certain places in cyberspace.

Trademarks, in general, act as source identifiers, as indicators of quality, and as repositories of corporate goodwill.<sup>10</sup> And there's no doubt in my mind, both as a business person and as a lawyer, that our domain name, juno.com, does both of those things. It identifies our business as well as our web site, and also comes to stand for a certain level of quality and distinctiveness in our products and services. And we've been successful in getting a federal registration for our domain name, juno.com.<sup>11</sup>

My understanding is that the Patent & Trademark Office ("PTO") has recently taken the position that merely using a domain name as a URL, without more, is not, ipso facto indicative of trademark use, and that mere use alone will not support registration.<sup>12</sup> So, for the corporate counselor, this policy means that a

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10. See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1915).

11. U.S. Registration No. 2,233,188.

12. See *Examination Guide No.2-99, Marks Composed, In Whole or In Part, of*



company has to develop some further use<sup>13</sup>—for example, on advertising use or use on a web site—that draws attention to the domain name itself as more than a mere address. At Juno, we’ve been successful in efforts to accomplish this objective, and I believe that other technology and Internet companies have been successful as well. But other potential registrants, I suspect, are falling short of the PTO’s guidelines, and are failing to obtain trademark registrations for their URLs.

On a related topic, what happens when people begin to use very generic<sup>14</sup> terms or phrases in identifying their URLs? As web-based business proliferate, many entrepreneurs are selecting descriptive names rather than distinctive names for their sites. These are marks that wouldn’t normally achieve strong trademark protection, but that are nonetheless becoming important names and businesses on the Web. An example of that would be drugstore.com. The phrase “drugstore,” obviously being quite generic, would not obtain federal trademark registration, or have much common-law trademark strength.

But drugstore.com,<sup>15</sup> as an identifier for a particular business, is probably deserving of some trademark recognition. Certainly, as a business, it has been a very successful one.<sup>16</sup> We see the same trend with numerous other sites. Wine.com is another example,

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*Domain Names*, <<http://www.uspto.gov/web/offices/tac/notices/guide299.htm>>.

13. The U.S. Patent and Trademark Office (USPTO) defines ‘Use in Commerce’ as the “bona fide use of a mark in the ordinary course of trade.” See *Trademark Manual of Examining Procedure (TMEP) 2d ed., Rev. 1.1, at 202.03(a)* (visited Feb. 9, 2000) <<http://www.uspto.gov/web/offices/tac/tmep/index.html>>.

14. A ‘generic’ term is “one that refers to . . . the genus of which the particular product is a species. . . . [E]ven proof of secondary meaning cannot transform a generic term into a subject for trademark.” *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976). “No trade-mark . . . shall be refused registration . . . on account of its nature unless it— . . . (e) Consists of a mark which (1) when used on or in connection with the goods of the applicant is merely descriptive . . .” See Trademark Act of 1946 §2(c), 15 U.S.C. §1052 (1994). [hereinafter Lanham Act].

15. The domain name Drugstore.com is owned by Drugstore.com, Inc. See *Whois* (visited Feb. 9, 2000) <<http://www.networksolutions.com/cgi-bin/whois/whois?STRING=drugstore.com>>.

16. For fiscal year ended January 2, 2000, net sales for Drugstore.com totaled \$34.8 million and net losses totaled \$115.8 million. <<http://quote.fool.com/uberdata.asp?symbols=DSCM>>.

Business.com is a URL that was recently purchased for \$7.5 million.<sup>17</sup> Obviously, the purchaser thinks that there is value in “business.com” as identifying the future web site they will build around that URL.

So the issue of domain names and NSI is one important topic. Another one that we have seen at Juno is the issue of spam, or unsolicited bulk e-mail. There was a point in time when Juno experienced a disproportionately high level of forged-header spam.<sup>18</sup> Forged-header spam refers to a type of spam in which the perpetrator forges a false return address into a bulk e-mail message. We saw a number of spammers forging “Juno” e-mail addresses into their commercial solicitations. The spammer would include a telephone number or e-mail address in the *body* of his message for customers who are interested in his offer. The significant number of recipients who were irritated by his message would typically send a “reply to” message back to what they thought was the spammer’s address. But since the sender fraudulently forged a Juno address into the “sent from” line to disguise his identity, these complaints would be misdirected back to Juno’s central computers.

Needless to say, this resulted in a huge cost to a company in our business. We dealt with hundreds of consumer complaints, and we decided we needed to do something to prevent this unauthorized and inappropriate activity. Just to give you some examples of the types of commerce: there were sales of pornography—that was an important category. Pamela Anderson videotapes were one offering that was very popular among the spam community. There were a lot of get-rich-quick schemes and pyramid schemes. And, with somewhat circular reasoning, there were a lot of companies in the business of selling lists of e-mail addresses to facilitate other people’s spamming activities. So, eventually, I think they all sold those lists to each other.

In light of the pornographic videos and get-rich-quick schemes,

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17. See Anick Jesdaun, *What’s in a .Com Name? Price Can Be In Millions for a Catchy I-Address*, CHICAGO TRIB., January 14, 2000, at 2.

18. ‘Spam’ is electronic junk mail or junk newsgroup postings. See *Spam – Webopedia Definition and Links* (last modified May 18, 1998) <<http://webopedia.internet.com/TERM/s/spam.html>>.

we were quite concerned about tarnishment of Juno's reputation. We decided that it was necessary for us to take a zero-tolerance approach to spamming activity. And we took what was—at the time—a fairly novel step of filing action in federal court, to try and bring this to a halt. Our complaints, (we brought them against about eight spammers in total), encompassed a number of common-law claims, including misappropriation of name and identity; fraudulent misrepresentation; a theory of common-law fraud on Juno and on the recipients of the spam; and unjust enrichment, as the spammers misappropriated Juno's name and identity for their own gain.

But the heart of the claim was really under section 43 of the Lanham Act.<sup>19</sup> We took the view that including our domain name in the return address of those e-mail headers was a pretty classic Lanham Act violation. The spammers were falsely designating the origin of their commercial message; the use was in interstate commerce; and the conduct was likely to create confusion in the marketplace, as readers of the messages would be falsely induced to believe that Juno sponsored or endorsed these spam messages.

Finally, in wrapping up my comments this evening, there is one other area that I'd like to address. It's not a current issue for my company, but I think it's something that Brian Mudge would like to discuss, and so I'll give him the intro. This is the topic of keyword advertising or "metatags," as it's sometimes called.<sup>20</sup> A metatag is created when somebody codes a hidden or suppressed tag in a web site—using text that is not visible to the reader, but nonetheless exists as part of the web site. While not readable by a human, this tag will be recognized by a search engine searching for a particular string—even if the topic of the web site is unrelated to what the user is actually searching for. As you can imagine, keyword advertising creates opportunities for parties looking to piggy-

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19. See Lanham Act § 43(a)(1)(A), 15 U.S.C. §1125(a) *supra* note 14.

20. A metatag is a special HTML tag that provides information about a web page. This information is not displayed on the screen. See *Metatag – Webopedia Definition and Links* (last modified Feb. 15, 1999) <[http://web.opedia.internet.com/TERM/m/meta\\_tag.html](http://web.opedia.internet.com/TERM/m/meta_tag.html)>. See also, *Matatags/Metatags: What is a Metatag?* (last modified Nov. 2, 1999) <<http://www.searchengineposition.com/metatags.htm>>.

back on another company's name recognition.

We saw this at one point in time when a competitor of Juno in the Internet Service Provider (ISP) industry had purchased some key-word buys on a leading search engine. We were seeing a competitor of ours embed codes so that when a user searched for Juno on a search engine,<sup>21</sup> a banner advertisement for this competitor would pop up. We thought this was very amusing—for about a day. We immediately contacted the operator of the search engine, and, without much ado, that practice has ceased—at least with respect to that particular search engine and the sale of key-word advertising involving the mark “Juno.” But it is a concern, and a legitimate one, for holders of trademarks everywhere.

MS. GREENWALD: Thank you, Richard. Our next speaker is Brian Mudge. Brian is a partner at Kenyon & Kenyon, where he is co-chair of the firm's Internet and Information Technology Practice Group. Brian specializes in intellectual property litigation and counseling. He counsels clients on intellectual property issues relating to the Internet, particularly those affecting domain names, web site design and electronic commerce. He handles a wide variety of disputes involving trademarks, IP addresses, and domain names on the Internet.

Brian received his B.S., M.S. and J.D. degrees from the University of Pennsylvania. Please join me in welcoming Brian Mudge.

MR. MUDGE: Thank you very much for that introduction. I have to issue the qualifier that I did help write it, so. . . .

Turning to a couple points that Richard raised, I did want to talk a little bit about key-word advertising and the use of metatags on Internet web sites. I also wanted to start out by talking a little bit about the role of outside counsel. Richard talked about his role and what he's called upon to do as inside counsel. As outside counsel in a litigation context, very often one of the things that

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21. A 'search engine' is a program that searches documents for keywords and returns a list of those documents where the keyword was found. *See Search Engine – Definition and Links* (last modified Oct. 27, 1997) <[http://www.webopedia.internet.com/TERM/s/search\\_engine.html](http://www.webopedia.internet.com/TERM/s/search_engine.html)>.

happens is, we'll get a phone call when a dispute has already arisen in some fashion, or when something is pressing and a dispute is about to bubble over.

For example, a client may have received a protest letter from another party. The client may have learned about some new commercial activity out there that creates an issue or concern for them, about maybe what one of their competitors is doing with a trademark or a trade name. We may be called upon to look at that particular issue, and even provide an opinion as to whether we think there may be a potential claim. We may be called upon to follow up on that, and also prepare a protest letter sent to another party.

Sometimes we even get called in once litigation has ensued, and perhaps, you know, only at that point in time. So, for example, a client may have been served with a complaint that's been filed. Or, in the trademark-registration context, when there's been an opposition or cancellation proceeding that's been initiated.

Sometimes we are called by clients when they feel litigation is necessary to resolve a dispute. We may be called in to help prepare and file a complaint — or, again, an opposition or cancellation proceeding.

Some of the disputes that we have seen come about in the cyberspace context have included, as Richard mentioned, key-word advertising and metatags.<sup>22</sup> I want to take a few minutes to talk about each of those. They are, in fact, very, very related. And as you see when I go through and describe in detail what those involve, I think you'll see that, in some sense, they are really considered kind of close cousins — in terms of the activity that's involved and the results that happen. But, interestingly enough, it seems that the few cases that have been decided in the area are actually split on these two topics.

Let me begin with key-word advertising. I'll talk a little bit

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22. See e.g., *Shades Landing, Inc. v. Williams*, NO. CIV.99.738(JRT/FLN), 1999 WL 1249714 (D. Minn. Dec. 22, 1999); *Playboy Enters., Inc. v. Welles, Inc.*, NO. 98-CV-0413-k(JFS), 1999 WL 1296101 (S.D. Cal. Dec. 1, 1999) (granting summary judgment in favor of defendants); *Playboy Enters., Inc. v. Netscape Comm. Corp.*, 55 F. Supp.2d 1070 (C.D. Cal. 1999).

more about metatags after I do the key-word-advertising issue. But what is key-word advertising? Key-word advertising is a process by which search engines on the Internet, for example, Excite, or Yahoo!, are supported by banner advertising. They sell key-word lists to people who want to advertise. And what that allows them to do is to, in a sense, target the advertising that's going to be shown on their search engine to the search topic that the user's typing in. So, presumably, if a user is displaying interest in a particular topic, this helps them target the advertising to that topic. In some sense, hopefully providing a better match to the interest of the person who's using the search engine.

The way this works is that the advertiser is given a list of terms that they essentially pay for. And the list is obviously held by the search engine. When one of the terms that appears in the key-word list shows up in a user's search request, that will target an advertisement for the advertiser who has bought that particular key-word list. For example, if a user types in the search term "car," and an advertiser has bought a list that includes the word car, that will trigger an ad for that advertiser, presumably somebody who's in the business of selling or doing something with cars.

As long as the terms at issue are generic words like "car," or "automobile," nobody cares. But where does this create problems? This creates problems when the search terms, or the list of words, includes terms that go beyond generic terms, like somebody's trademark, in particular, the trademark of your competitor.

For example, and this is not necessarily a real-life example, if Ford were to purchase a key-word list from one of the search engines, the key-word list might include words like "car," "automobile," "sedan," or "station wagon." It might include Ford's own trademarks such as Ford, Mustang, and some of the models of their cars.

Presumably, they could also include in the key-word search list that they're buying words that are trademarks of other car companies like "General Motors," "Chevrolet," "Pontiac," and the like. Ford probably does not mind too much if somebody types in a search for a General Motors or Chevrolet car if a Ford ad pops up, but General Motors may think otherwise.

Not surprisingly this type of activity is fairly new, because it is not something that has been possible before the development of search engines on the Internet. But it has led to disputes and, in fact, a couple of lawsuits. They are cases of first impression, because as has happened in other contexts with the Internet, the developing technology has led to new ways that people can use or, as some people think, misuse trademarks, and people are stuck with trying to apply the prevailing trademark law to developing technology.

There were actually a couple lawsuits filed on this key-word advertising issue earlier this year. One was *Playboy*, which has provided lots of developing law on the Internet.<sup>23</sup> But, in this particular case, they sued Netscape and Excite because the Netscape and Excite web site had a key-word issue, where an adult key-word list was provided for use by another adult-entertainment web site. But this list included terms like Playboy and Playmate, which are trademarks of the Playboy Company. Similarly, Estée Lauder sued Excite earlier this year over claims involving trademark infringement and dilution.<sup>24</sup>

In the case of Playboy, the adult-entertainment web site operator who is advertising paid for the key-word lists from Netscape and Excite. That included the marks of Playboy and Playmate. If somebody was searching on the Excite or the Netscape site, and typed in "Playboy," they would get an advertisement back along with the search results; that advertisement was for the adult-entertainment competitor.<sup>25</sup> Not surprisingly, of course, Playboy was very unhappy about that, which is why it led to the suit.

With respect to Estée Lauder, Excite, which is, again, one of the search engines, sold a cosmetic-related list of key words to a

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23. See, e.g., *Playboy Enters., Inc. v. Welles*, 7 F. Supp. 2d 1098 (S.D. Cal. 1998) (denying plaintiff's motion for preliminary injunction and determining that defendant is entitled to "fair use" defense in connection with her use of title "Playmate of the Year," and "Playboy and "Playmate" marks as metatags); *Playboy Enters., Inc. v. Webworld, Inc.*, 991 F. Supp. 543 (N.D. Tex. 1997) (publisher failed to establish dilution of its trademarks, but was still awarded damages for copyrights infringed by provider).

24. *Estee Lauder, Inc. v. The Fragrance Counter, Inc.*, 189 F.R.D. 269 (S.D.N.Y. 1999).

25. See *Welles*, 7 F. Supp. 2d at 1104.

company called The Fragrance Counter.<sup>26</sup> The key words included the trademarks “Estée Lauder” and “Origins” which are both trademarks of the Estée Lauder Company. And The Fragrance Counter is a distributor and competitor of Estée Lauder. In fact, I have a couple of visual aids. I can show you an example of exactly how this works.

This is a screen shot from the Excite search engine web site. And the way the Excite search engine works is, they have a search box that’s near the top of the page. You type your key word in and hit search. The search results are presented, once that search is done, at the bottom of the screen. But right in the middle—and clearly separate from the real estate at the bottom of the screen—is a place where they have a banner ad pop up. And regardless of what activity is on the page, there’s a banner ad that pops up, in some sense or another.

In this particular case, I typed in the word “perfume,” did the search, and there are some search results at the bottom of the page ostensibly related to perfume. But the ad for The Fragrance Counter pops up. And, again, this was part of the key-word list that The Fragrance Counter had purchased.

I have a second screen shot. And, again, hopefully, those of you near the front can see a little bit. Again, the search box is near the top. This time I typed in “Estée Lauder,” which is, of course, a trademark of the Estée Lauder Company. At the bottom of the page search results appear which are related to the Estée Lauder Company. Other references to the Estée Lauder Company that may or may not be related to their web site also appear. But, again, in the middle of the page is the banner advertisement for The Fragrance Company.

So this is an example of the type of dispute that the key-word advertising has raised. There are a couple other examples out there of where this is happening. For example, with regard to the site search engine, if you search the word “printer,” or the word “Canon”—or the mark “Canon”—you’ll get an advertisement for Tetronix. If you’re at the vault.com site, and you do a search on

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26. See *Estée Lauder*, at 271.



one of a number of law firms who are in Silicon Valley, that search will trigger an ad for the Brobeck<sup>27</sup> firm which some people find rather amusing. Or maybe not so amusing if they are in Silicon Valley.

Now, for the trademark practitioner, what are the issues here? What are the pros and cons? How should this issue play out? Should this be permitted or not? Should the courts step in and allow this activity? Should they step in and prevent the activity?

Well, there are obviously arguments, like in many cases, going both ways. The trademark owner position could be summarized with four discrete points. One is the claim that the search engines are selling their famous trademarks. They include a trademark in the key-word list, and they are selling that list for money. And they're using the list without authorization from the trademark owner. That kind of a complaint sounds like a misappropriation type theory.<sup>28</sup>

Another contention is that the banner ads are diverting consumer traffic away from the trademark owner's web site, to a competitor's site. That is, when consumers are doing a search on Excite or one of the other web sites for a particular company, they're getting an advertisement for a competitor that is diverting people away from, in one case, Estée Lauder to a competitor, Fragrance Counter. That, again, is something that sounds like misappropriation, but also a standard section 43(a) or a trademark infringement claim.<sup>29</sup>

There's an issue in terms of whether or not consumers are likely to be confused or deceived into believing there's some association or sponsorship between the advertisement and the subject of a search. That is a slightly separate issue and again, one that sounds like an infringement. For example, the argument is that the

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27. The law firm of Brobeck, Phleger, & Harrison LLP is located in California, New York, Colorado, Texas and Washington, D.C. <<http://www.brobeck.com>>.

28. *See, e.g.,* *Saratoga Vichy Spring, Co. v. Lehman*, 625 F.2d 1037 (2d Cir. 1980) (holding even if plaintiff had rights to name because use of name had acquired secondary meaning, it could not prevent use of that term by one whose use had begun before the secondary meaning was acquired).

29. *See* Lanham Act, 15 U.S.C. § 1125 (1994).

people who've seen The Fragrance Counter ad might think that, somehow, they are sponsoring Estée Lauder, or vice versa. And then, finally, there's a dilution-type argument that the key-word advertising is either blurring or tarnishing the trademark owner's mark.<sup>30</sup>

What are the arguments the other way? Well, the arguments that the search engines have made or could make are among the following. They're not really selling marks as marks, or using these terms as trademarks, they're using words. They're using the trademark as a sort of pseudonym for the expression of an idea or interest in a topic. For example, one way to say that somebody has an interest in the topic of automobiles is to do a search on automobiles. Another way for somebody to express an interest in the field of automobiles is to type in and search on a particular company known for automobiles, like Ford or GM. And, in fact, they're not selling the marks, because the key words that are used, the trademarks, don't appear in the banner ads at all. They're not appearing in the banner ads or even next to the banner ads. And nobody ever sees that key-word list.

The next argument that the search engines have made, or could make, is that the ads really don't divert consumer traffic away from the trademark owner's site. And that is because banner ads are commonplace. People see them all the time, they know what they are, and consumers are not forced to select the ad. So the ad is there, but nobody has to select that ad to go to the competitor's web site. They can continue to review their search results, and go to the site that they thought they were looking for in the first place. And, in any event, the consumer can always choose the links to the company that are in the search result, for example, to General Motors, if that is what's being searched for. And even if somebody chooses to go to the ad, they can always return back to where the search engine originally took them and go to the links that were provided in the search results.

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30. "The term 'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods and services, regardless of the presence or absence of- (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." *See* Lanham Act, 15 U.S.C. § 1127.

Another argument that could be made for the search-engine position is that there really is no consumer confusion. Confusion is highly unlikely because, again, consumers are used to banner ads being there. They are not going to believe that there is some kind of association or sponsorship between the banner ad and the search results. The banner ads are always present and in the same place, whether or not the banner ad is targeted and triggered because of the search term, because there is always a banner ad there. People understand what banner ads are, and they're not going to be confused with some sponsorship or association, because many, many sites have banner ads for that purpose. Finally, again, they will argue that there is no dilution because the search engines are not using these terms as marks. They're using them as words to indicate an interest in a topic.

Now, what are the results of these cases so far? Has anything happened? Well, we have one result and, interestingly enough, the trademark owner lost.<sup>31</sup> Playboy sought a preliminary injunction against Excite. Their request for a preliminary injunction was denied this summer.<sup>32</sup> The court there found that Netscape and Excite were using the English words "playboy" and "playmate"<sup>33</sup> not as trademarks, but as indications of an idea or a topic. In fact, the court pointed out the fact that the words "Playboy" and "Playmate" have a dictionary meaning. The court also pointed out that the search engines are not competitors of Playboy.<sup>34</sup> The court found no evidence that there is a perceived association, sponsorship, or endorsement position between the subject of the search term, "playboy," and the advertisements.<sup>35</sup>

The court was also cognizant of some First Amendment concerns.<sup>36</sup> There was some sense that this may be a fair use because the search engines referred to a company's name as an indication

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31. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp.2d 1070 (C.D. Cal. 1999), *aff'd*, *Playboy Enters., Inc. v. Netscape Communications*, 1999 WL 1049614 (9th Cir).

32. *Id.*

33. *Id.* at 1073.

34. *See id.* at 1075.

35. *See id.* at 1085.

36. *See id.* at 1084-86.

of an interest in a topic. So far, that is the only decision on this issue.

I'd like to turn now to the issue of metatags, and I'll go through, again, a couple of cases very quickly. Let me first start off by asking: What is a metatag? As Richard alluded to, a metatag is essentially a piece of text. It could be a name, a word, or a series of words contained in code, which is called Hyper Text Markup Language, that causes the web page to be displayed. However, these terms do not appear on the page because of the way the code is buried. A metatag is, in a sense, "hidden text" because you cannot see it when you are looking at the web page.

But the search engines can see them, and the search engines will go around and roam the Internet, and will pick out these metatags, or these words, and use them for indexing purposes. It has a very practical purpose. A web site for Ford or GM would perhaps want to use as metatags in their web site words like "automobile," "car," "station wagon," or "sedan." Search engines could index those sites for somebody who is looking for an automobile.

Perhaps similar to key-word advertising, disputes arise when people no longer simply use generic words as the metatags, but instead use someone else's trademark. Let's think about an example. If Ford has a web site, it's conceivable, (this is just something that's totally made up) that, if they wanted to, they could bury references to General Motors, or General Motors trademarks and cars in their web page's metatags. For example, if someone was doing a search on Pontiac, that might cause the Ford web site to be indexed in a way that it would come up when a search engine brings some results back. Of course, that has led to some disputes. In fact, some people have done that, though not necessarily Ford or GM.

One of the first cases filed on this issue was, interestingly enough, filed by a law firm. They had a web site, the Oppedahl<sup>37</sup>

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37. The law firm of Oppedahl & Larson LLP is now based in Colorado. *See Information About Oppedahl & Larson LLP* (last modified Jan. 1, 1998) <<http://www.patents.com/oandl.sht>>.

law firm; and they had handled some Internet-related cases.<sup>38</sup> A web site developer decided to put the law firm's name in as a metatag, so that people searching on that might be led to this web site developer. They were hoping to pick up some traffic. That case was ultimately resolved with an agreed-upon injunction.

Two environmental-technology firms, one a competitor of another, used a competitor's trademarks in its metatags. That was resolved, I think, with an injunction. Our friends at Playboy had a number of cases against adult-entertainment sites. People who were interested in Playboy or the Playboy marks were perhaps interested in adult entertainment, by virtue of expressing interest in Playboy. If they did a search, they would get, in the search results, links to these other adult-entertainment sites. And then, finally, Playboy also brought a case against one of its former Playmates, Terri Welles, on this issue.<sup>39</sup>

Now, I'll discuss a couple of those cases. One thing I want to point out is how the metatag issues differ from key-word advertising. It differs in one key respect. As opposed to the key-word advertisement, where the competitor's ad pops up as a banner ad in the middle of the page, always in the same place, what happens with metatags is that the competitor's web sites actually come up as links, and are intermixed with all the other links that are provided in the search results including, perhaps, the trademark owner's web sites.

And so it's much, much more difficult in that context for the user to be able to discern and differentiate between legitimate links to the trademark owner that the user may be searching on, and other stuff that really isn't related. That difference, I think, has driven the results that we've seen so far. Because, in a couple of cases, Playboy has been successful in getting injunctions, and, as I mentioned, some others have gotten injunctions as well, against people using the trademark of a competitor as a metatag in a web

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38. See *Oppedahl & Larson v. Advanced Concepts*, No. 97-Z-1592, 1998 U.S. Dist. LEXIS 18359 (D. Col. Feb. 6, 1998) (default judgment restraining defendant from using names or trademarks belonging to plaintiff law firm).

39. *Playboy Enters. Inc. v. Welles, Inc.*, 78 F.Supp.2d 1066 (S.D. Cal. 1999).

site.<sup>40</sup>

So, as opposed to the key-word advertising context, where we've seen one result against the trademark owner, for the most part, with a metatag issue, almost all cases have been favorable for the trademark owner. Because, in some sense, the metatag leads to results where you get links intermixed with the search results, it is seen more as a kind of misappropriation or infringement; and, thus, more of a real concern in terms of confusing consumers.

I mentioned the Terri Welles case<sup>41</sup> because that was an interesting result. That was one that Playboy lost. And why? I think ultimately it is an issue of fair use. As opposed to the other adult web site operators, who had no relationship at all to Playboy and were, in fact, using the metatags simply to trade on their notoriety,<sup>42</sup> Terri Welles was a former Playboy Playmate of the Year. She was, as the court found, entitled to use those terms to describe herself and to use it, in a way, to help the search engines index her site properly.<sup>43</sup> If she is Playboy Playmate of the Year, she's entitled to say that. That's fair use. That is why the court came out differently on the Terri Welles case.

Let me wrap up with, quickly, a couple of points. One, relating to something Richard mentioned, is the interest in some of the vanity domain names, such as drugstore.com or business.com. One of the things that makes those valuable is that, unlike what you have in your typical trademark context—where you have a business that can put a label on any number of packaging or boxes, or in advertisements, only one entity can own business.com.<sup>44</sup>

And because of the way the Internet is currently constructed, with the domain-name process, there are very few top-level do-

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40. See, e.g., *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1220 (N.D. Cal. 1997).

41. *Welles*, 7 F.Supp.2d 1098.

42. *Playboy Enters. v. Asiafocus Int'l, Inc.*, No. Civ. A. 97-734-A, 1998 WL 724000 (E.D. Va. Apr. 10, 1998) (finding defendants' use of "playboy" and "playmate" violated plaintiff's copyright and trademark rights).

43. *Welles*, 7 F. Supp.2d at 1102.

44. The domain name registration for business.com is owned by Business.Com, LLC of California.

main names available. It's essentially dot-com, dot-net and dot-org.<sup>45</sup> You have three choices. So if somebody wants to have a very generic, very easily understandable descriptive or generic domain name, there's only going to be three of them available: for example, business.com, business.net and business.org. Because of the proliferation of dot-com, it is seen as the one that is most valuable, because it is most recognizable by people.

So, in some sense, the technology has limited the availability of the domain name having a generic word like "business." You could have, easily, 10,000 different people putting business.com on a magazine or a box. But to register it with the domain-name registries, only one business.com is available. However, that doesn't mean they're going to get trademark certificates, because the Trademark Office has already stated that they are not going to give trademark significance to the combination of a generic word with a generic dot-com at the end of it.

So, for example, drugstore.com, if it is retailing in the drug or pharmacy industry, is not going to get trademark significance. They will get some notoriety because of all the money that was paid for the domain name. They will be the only one to use drugstore.com. However, I do not think they will be very successful in preventing others from coming up with drugmart.com, drugstore.org, or drugstore.net.<sup>46</sup> Essentially, in the business context, I think the only way to really obtain the ability to keep other people from having those kind of domain names is to go out and register all those variations yourself.<sup>47</sup> If somebody is going to register lawyers.com, they'll want to register attorneys.com, and all the common variations—if they want to have the ability to keep others out from that particular name space.

And, finally, let me wrap up with a point I think will lead into our next speaker's topic. One of the changes that has come about

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45. See *supra* note 6 and accompanying text.

46. Drugstore.com is registered to Jeff Johns of PA. Drugmart.com is registered to Arik Kalinsky Computer Specialists of Ontario, Canada. Drugstore.net is registered to Newtork Drugstore, Inc. of Concord, MA.

47. See Rundle, *Web Site Registered to Rival's Official Leads to One of First Cyberpiracy Suits*, WALL ST. J., Dec. 27, 1999 at B6.

within the last year in trademark practice is an issue involving dilution. Dilution has been very important in the context of developing Internet law.<sup>48</sup> And perhaps for that reason, among others, dilution—now being the subject of the Lanham Act—has been made a basis for opposing registration, and for canceling a registration.<sup>49</sup> That was effective earlier this year.<sup>50</sup> Previously, dilution was not a basis for opposing or canceling a mark.<sup>51</sup> So if you previously had a dilution issue, your only recourse was federal litigation. If you think that an application to register a name or mark might be dilutive of your client's mark, you now have an opportunity, before it gets registered, to go out there and oppose it.<sup>52</sup>

With that, I'd like to turn it over to our next speaker.

MS. GREENWALD: Thank you, Brian. Our next speaker is Susan Douglass. Susan is a partner at Fross Zelnick Lehrman & Zissu, an intellectual property law firm. She received her B.A. from the University of Chicago and her law degree from New York University.

Among her many memberships, Susan has been a member of the U.S. Department of Commerce Public Advisory Committee for Trademarks. She is the author of numerous articles on various hot topics in trademark law, such as an article entitled "*Trademark Clearance is a Risky Business*."<sup>53</sup> That article was published in 1993 and I believe its sentiment still rings true today. Please join me in welcoming Susan Douglass.

MS. DOUGLASS: Thanks, Jill.

Trademark searching really is a risky business and sometimes it feels like there are just eleven trademarks left in the world. And

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48. See, e.g., *Hasbro, Inc., v. Internet Entertainment Group, Ltd.*, 40 U.S.P.Q.2d 1479 (W.D. Wash. 1996) (preliminary injunction issued against defendants from using plaintiff's trademark "Candyland")

49. Trademark Amendments Act of 1999 (amending the Trademark Act of 1946, 15 U.S.C. § 1052).

50. See *id.*

51. See *Babson Bros. Co. v. Surge Power Corp.*, 39 U.S.P.Q.2d 1953 (1996) (holding that dilution is not a ground for opposing registration of a mark).

52. See Lanham Act, 15 U.S.C. § 1064.

53. Susan Upton Douglass, *Trademark Clearance is a Risky Business*, N.Y.L.J., March 18, 1993, at 1.



it's really risky because clients are feeling frantic and they are demanding more and more searches. They are trying to clear more and more names for a single product because so many bad things are happening. They are reading about it, and they are in a panic. Either everybody is choosing the identical marks or clients call and want the trademark Advantage, or Premier . . . or E-something-or-other. I think every E-something-or-other mark in the world has already been searched, and most of them have already been filed. I filed a lot of them myself. And you could just tear your hair out from this, because it's so frustrating, and there are so many problems.

And it is not only search fatigue. For example, just today a French pharmaceutical company sent me a list of twenty-eight trademarks for one product. That was on top of all the other things that came in. They are going to these naming companies,<sup>54</sup> that are just throwing the letters of the alphabet up in the air, and coming out with car names like Acura and Previa. But, there are worse names for pharmaceutical companies. They are impossible to search because you don't know which letters to substitute and how to vary it to come up with something.

I mean, just to do a knockout search—and, of course, then, a full search is really, really critical if you're going to do one of these coined marks—you don't have a prayer of trying to find things using these online databases, and Neal is going to talk about some of the available tools.

And then, on top of the issue of the coined marks,<sup>55</sup> which are difficult to pronounce, what do you do? Sometimes you can really fall into a trap. Because you'll have looked at a list of forty coined marks and then the client picks one. And this actually happened to me once. It turned out to be a surname. And you were not even thinking surname because you knew that these marks were derived from all these letters thrown up in the air and landing in different ways. And it turned out to be a name. There were hundreds and

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54. An example of a naming company is *NameLab*. *Namelab*, based in California, creates product and company names. <<http://www.namelab.com>>.

55. See *Abercrombie & Fitch, Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976).

hundreds of surnames with this name. It wasn't a name that I was familiar with. It wasn't a name, like McDonald, or Douglass or Greenfield or anything, just a weird name.

In any case there are a lot of traps. For example, there is dilution. Even if it is in a totally different area such as a technical area, but it's well-known, this could still be a problem. And the dilution law is very sparse. There isn't a lot of settled law in the field. Who has to know? Does it have to be your target market? Does it have to be the public at large? And now that the TTAB is going to try to decide dilution cases, we are really in trouble. While you are searching, you have to bear these things in mind. Again, I'm going to defer to Neal about some of the searching you can do to try to find out if something is well-known in another category that you don't know about.

Foreign meanings. The doctrine of foreign equivalents is another area that, when you're searching, you've got to keep in mind—and you may not even think about this. I don't want to talk about a specific case, but I'll just mention this because this was the meanest thing that has happened to me in a long time. An examiner called me out of the blue and said: What does "Facile" mean? F-A-C-I-L-E. I said: Well, you know, it's a regular word. It's an English word, but it's also a French word—it's like "easy." And then the examiner cited the mark E-A-S-I against my client's mark F-A-C-I-L. And my mark wasn't even F-A-C-I-L-E. But it's this sort of mental gymnastics that you have to go through when you're doing your searching. Be alert for all the hidden traps.

Sometimes you say to a client: Just forget coming up with a name and come up with a true generic term and use your house mark. However, even that sometimes is not possible. For example, if you need a fragrance mark, you can't just call it Estée Lauder or Chanel. It needs a name. And that's where the problems arise.

Also, sometimes when you do so many searches, and you're having to say, No . . . no . . . sorry . . . no—sometimes you just get search fatigue, and you say: Well, maybe. And then the client starts attacking you and saying: But why not? Why not? I mean, do people really think this? People won't really be confused. You

get your guard down and you say: Well, okay—let's try it.

So I'd like to talk a bit about some of the bad things that have happened to lawyers and their clients when they have been beaten down, or they haven't followed all the proper steps in trying to clear a trademark and somebody comes out of the woodwork and attacks. And you can't easily buy them off, or get a license, or smooth the problem out. A lot of bad things have happened.

Several years ago there was a scary case called *Sands, Taylor and Wood Company vs. The Quaker Oats Company*,<sup>56</sup> and in this case Quaker Oats, for their Gatorade brand, wanted to use a slogan: Gatorade is thirst aid, for that deep-down-body thirst. The in-house lawyer said: That's just our house mark, Gatorade, and a generic phrase—we don't need to search. At some point—I think it was about eleven days before the TV ad was to launch—somebody said: We'd better search. And they did a search, and they found federal registrations for Thirst Aid.<sup>57</sup>

The in-house legal assistant called up the company – after researching and finding out who the owner was— and nobody at the company . . . well, I don't think the legal assistant wrote down who she spoke with, but the person at the company said: No, we don't have that. We don't know what that is. It's not really anything. And, in fact, it turned out that there was no use. There had been some trivial use by a licensee four years before, and they had written to some companies and said: Would you be interested? But the companies did not write back. Or they contacted someone they knew, who was in marketing, who knew a PR firm. And they said: What do you think? But they didn't pursue that. They sent a letter to Harvard Business School and said: Do you think we could start a project on this, maybe, and come up with a product to use for Thirst Aid? Nothing happened.

So, Quaker Oats used the slogan for their Gatorade product and got hammered with a lawsuit. The jury awarded damages of \$24 million,<sup>58</sup> which were increased by the court to \$42 million based

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56. 978 F.2d 947 (7th Cir. 1992).

57. See "Thirst-Aid" U.S. Trademark Reg. No. 572,223.

58. *Sands, Taylor & Wood Co. v. Quaker Oat Co.*, 18 U.S.P.Q.2D (BNA) 1457

on post-trial submissions.<sup>59</sup> On appeal the award was reduced to \$26 million.<sup>60</sup> The case ultimately was settled. I can't get anyone at Quaker Oats to tell me for how much; the settlement is under seal. But the lesson to take from this is: What should have been done in this case?

When Quaker Oats did the search and their investigation, and found out there was no use, they should have immediately gone out and filed a cancellation petition.<sup>61</sup> Now, obviously, they did not leave themselves enough time, because they did the search only ten days before the big product launch. If you can try to encourage your clients to get the trademarks to you sooner, you will have the time to quickly file the cancellation petition. The Trademark Trial and Appeal Board (TTAB) of the U.S. Patent and Trademark Office is instituting these proceedings more quickly than they used to: They come up now in four weeks, with forty days to answer, so you could know in a matter of months.<sup>62</sup> If the product launch is down the road, you can find out in a matter of months whether or not this thing is going to blow up, if they're going to answer or if they're going to default.

What I learned from this case is this: Do not sit there and just hope for the best or hope that your research is good. If you decide not to petition to cancel and decide, instead, to contact the company which says: This is our trademark - we're using it, or it's still of interest—and then you go ahead, anyway, that is probably about the worst thing you could do. That may constitute willful infringement, and you could be hit with really, really large damages.

You may have heard about the Tommy Hilfiger<sup>63</sup> case more recently. There's a lesson to be learned from that, too. In that case, Tommy Hilfiger wanted to use a trademark "Star Class." They did

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(N.D. Ill. 1990).

59. *Sands, Taylor & Wood Co. v. Quaker Oat Co.*, No. 84-C-8075, 1993 WL 204092, at \*1 (N.D. Ill. June 8, 1993).

60. *Id.* at \*8.

61. See Lanham Act § 1064, Cancellation of Registration, *supra* note 14.

62. See Trademark Rules of Practice, 37 C.F.R. §§ 2.111, 2.113.

63. *International Star Class Yacht Racing Ass'n v. Tommy Hilfiger U.S.A., Inc.*, No. 94 Civ. 2663 (RPP), 1995 WL 241875 (S.D.N.Y. Apr. 26, 1995).

a database search, the type of search that I knock out forty, fifty or sixty times a day. They did not do the full trademark search; they just did the database search in Class 25 for apparel. The International Star Class Yachting Racing Association had this same trademark that they use for their yachting activities, and for some ancillary merchandise.<sup>64</sup> Hilfiger's outside counsel wrote a letter to Hilfiger saying: Here are the preliminary results – they look fine to us. By the way, a full search is recommended. This is what I also say in my letters.

Hilfiger did not go ahead with the full search; they just used the trademark. They were sued, and the court held Hilfiger's actions constituted willful infringement.<sup>65</sup> A big company like Tommy Hilfiger had better be doing full searches. The judgement was affirmed on appeal.<sup>66</sup> This was a surprise to us practitioners, because there were cases out there that said there is no requirement to do a trademark search; you don't have to do one. You can put your head in the sand, if you choose, and whatever happens happens. These prior cases said there is no legal requirement to do a search, and it is not bad faith.

And then along comes this Tommy Hilfiger case that says, wait a minute - if you are one of the big boys, you better take the steps and do the homework, and find out what you can find out. I don't know how much money was at stake there, they may still be squabbling. But what we have to take from that is: Do the full search. Then you have to wonder: Should you put it in writing to your client that you recommend full search? Because then, if that's discovered, are you a willful infringer? It is something to think about in terms of your style of writing.

You will see how the advice of the lawyer is a significant factor in this next, very recent, case that I'm going to touch on, which is the Pfizer case.<sup>67</sup> There was a write-up about it in *The Wall*

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64. *See id.* at \*1-3.

65. *See id.* at \*14.

66. *International Star Class Yacht Racing Ass'n v. Tommy Hilfiger U.S.A., Inc.*, 80 F.3d 749, 750-51 (2d. Cir. 1996).

67. *See Pfizer Is Dealt a Trademark-Suit Defeat*, *Wall St. J.*, Oct. 13, 1999, at A2.

Street Journal, I think, about a month or three weeks ago.<sup>68</sup> This case is every lawyer's, and their client's, worst, worst nightmare. This was the largest judgment ever in a trademark case, \$143 million.<sup>69</sup> What happened?

Pfizer did a trademark search on the trademark Trovan, which they wanted to use for a super-duper antibiotic that would be administered mostly in hospitals for those very virulent viruses that you can pick up in a hospital and which nothing else works against. This Trovan antibiotic had bad side effects - it was a desperate, last-ditch sort of thing that you would use only if you were really, really sick, and you were in a coma, and you had a lot of medical problems stemming from the virus.

Pfizer did a trademark search, and they found the identical mark, Trovan, was registered by Trovan, Ltd., but it was for implantable microchips that you could put in an animal's ear for tracking purposes. For example, if you have a cat, and you let your cat out, you could put one of these microchips in your cat's ear, and you would be able to find your cat if it was lost. They are sort of like Lojack for animals.

So Pfizer sensibly thought: Well, that's pretty different. An animal-microchip locating device is pretty different from an antibiotic that would be administered intravenously or orally in a hospital when someone is on the verge of death. But they did see some other marks that were of concern that they bought. For example, Povon, in the pharmaceutical category, and a couple of others which I don't remember. They bought a couple of marks to clear the way from competitors or other people in the pharmaceutical category, and I think on one of those marks they spent \$100,000. They really worked hard to clear the trademark.

But they looked at this animal-tracking thing and said: Not a problem. I have to think to myself: Would I have said the same thing? I always caution a client: Whenever the trademark is unusual, and it's the only one out there, you have to be careful. But I think when it boils right down to it, I just can't imagine a member

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68. *Id.*

69. *Id.*

of the public being confused. And sometimes we give the client the advice: Well, you may not be able to register it but, as a practical matter, no one will be confused.

Well, EID didn't think so, and they sued. There was a jury trial, and it was in California. So part of the problem was the advice letter, and the advice letter said: Perhaps you might investigate further about EID's animal-tracking device.

They later learned at trial that even if they had investigated further, they would not have learned anything new because the product was exactly as it was described in the certificate of registration. But the jury, who was debriefed after the case by in-house counsel at Pfizer, said that the jury thought that it was somehow significant that the lawyer—an outside lawyer—wrote in an opinion, “Perhaps you should investigate further” and the company chose not to. Maybe it was sort of a post-Hilfiger feeling. I am not sure what the problem was. I am sure the jury did not sit around and read the Tommy Hilfiger case.

The way they derived these damages is really, really scary. One percent of Pfizer's worldwide sales of all products—which was \$13.5 billion—plus \$5 million for corrective advertising.<sup>70</sup> I would bet that EID had very little original advertising, but it was awarded \$5 million for corrective advertising and \$3 million for license fee to license the trademark. Now, who has seen a \$3-million license fee for a trademark? Hands up? So that was how they came to \$143 million. It's being appealed so stay tuned . . . and be vigilant.<sup>71</sup>

I'll turn this over to Neal.

MS. GREENWALD: Thank you, Susan. Our final speaker is Neal Greenfield. Neal is an attorney at Amster Rothstein & Ebenstein, where he practices in the areas of trademark, copyright, unfair competition, licensing and new-media law.

He received his B.A. at The Brooklyn College of The City

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70. *See id.*

71. For a comprehensive discussion on the importance of trademark vigilance, *see Trademark Vigilance in the Twenty-First Century: A Pragmatic Approach*, 9 FORDHAM INTELL. PROP MEDIA & ENT. L.J. 823 (1999).

University of New York and his J.D. from New York Law School. Among his many memberships, Neal is a long-time member of The International Trademark Association's Special Committee on the Internet, and he chairs that association's Internet Litigation Subcommittee. He is also co-author and editor of the recently published treatise *Trademark Law and the Internet: Issues, Case Law and Practice Tips*.<sup>72</sup> This is the first treatise, and the only treatise, to address this critical area. Please join me in welcoming Neal Greenfield.

MR. GREENFIELD: Thank you, Jill. I know the book must be good, because in the recent meeting of the INTA midyear meeting in Miami, of all the books on display, this was the only one stolen.

I began in this business in the fall of 1978, straight out of law school, doing searching, prosecution, clearance, and advising, pretty much what I do now. Back then, a trademark search consisted of about thirty pages. That was everything, including the common-law search. It took at least a week to get it. You generally had several days to look it over and ponder it. And if you were writing to an international client, you probably wouldn't hear from them for weeks afterwards.

So now let's go to the new millennium. What do we have? We have trademark searches so thick that you need a good breakfast to be able to lift them. The time demands, for you to not only search a trademark, but to follow up and give an opinion, have basically been stretched from weeks to often a day.

I first discovered this in the mid-1980s, when online sources first became available. This was Dialogue, Nexis. I worked for about a month for a television network, which was looking for new names for this new network. I would start at eight o'clock in the morning, doing online searches on the trademark-scan databases; follow it up by common-law use searches on every available online database; and follow it up by calling to find out if the companies I found with similar names were real. Then, by about eight o'clock at night, I would speak to the guys in California who were in the

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72. TRADEMARK LAW AND THE INTERNET: ISSUES, CASE LAW AND PRACTICE TIPS (Lisa E. Cristal & Neal S. Greenfield eds., 1999).



television network, and tell them that every single one of their marks was no good because these were terrible marks. In trademark searching, as in computers, garbage in - garbage out. But I realized then that things were really changing, and that this was going to become the rule, not the exception. How could things get any worse? Simple—God gave us the Internet.

And now the information available to us has exploded exponentially. The Internet, although imperfect, is a vast digital searchable database. The secret is how to search it effectively. You can clear and monitor trademarks, monitor trade names, track competitive activity, images—even digital musical and other files can be found. You can locate infringers who are abusing your trademarks. Insurance, trademark searching and corporate espionage has never been so easy. And in the case of corporate espionage, it's never been so legal.

Why do we have to go through all this trouble? Why do we have to search the Internet? Because that is where our clients are, that is where our clients' competitors are, that is where our clients' infringers are.

In 1998, e-commerce first became a commercial reality, and estimated e-commerce sales were about \$8 billion.<sup>73</sup> Pretty good. Around the middle of this year it was estimated that e-commerce sales would reach \$20 billion.<sup>74</sup> That estimate is now very conservative. Christmas sales through e-commerce channels are so robust that some major outlets, such as Toys R Us, cannot handle the traffic. And people are not able to get through. Many other e-commerce outlets are rapidly running out of stock, so I can just imagine what the final figures are going to be. The same sources that predicted \$20 billion in e-commerce sales at the end of this year predict about \$200 billion by the year 2004.<sup>75</sup> And who knows? You can't predict anything about the Internet that far in advance.

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73. Melinda Fulmer, *Commercial Real Estate; Demand for Retail Space Still High, But Internet's Threatening*, L.A. TIMES, Feb. 16, 1999, at C1.

74. Steve Lohr, *Ideas & Trends in E-Commerce Frenzy, Brave New World Meets Old*, N.Y. TIMES, Oct. 10, 1999, at D5.

75. *Id.*

This is not only business-to-consumer sales, this is also business-to-business sales. In the case of the many, many auction sites, it is consumer-to-consumer sales. In fact, I've recently read that shopping malls are becoming very scared of e-commerce—because they are starting to believe that it is visibly going to affect their business.<sup>76</sup> There was recently a mall in St. Louis that tried to prohibit the stores in the mall from selling their goods electronically.<sup>77</sup> It quickly took that back when the stores protested. It probably had no right to make them do so anyway.

There isn't enough time to discuss a lot of the tools that you can use to search trademarks on the Internet. I hope you each took the handout which was produced by myself and my partner in crime, Michael Graham. My e-mail address is there, if you have any specific questions. I suggest that you explore some of these resources yourself and see which ones you're most comfortable with, and which ones you find most useful to you. So I'm just going to focus on some of the things we can do to enhance or conduct trademark searches. Although there is a great many tools for conducting general legal research, but that would be an entire other, and much longer, lecture.

Domain names were the first manifestation of trademark problems on the Internet. Most of you know how to search domain names by going to the old "WHOIS" site, run by Network Solutions. It is changing, because there are competitive registrars. Besides that, it has other limitations. It gives you a maximum of fifty hits, and it does not allow for a lot of variation. As you know, cybersquatters take hundreds of marks.<sup>78</sup> There is no perfect solution to this. However, if you are looking to find all the variations that a domain name has—generic, top-level domains<sup>79</sup> . . . the com's,

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76. The Associated Press, *Malls Retool to Meet Threat of Internet*, NEWSDAY, Dec. 31, 1999, at A49.

77. John R. Johnson, *Banking on 'Net Sales*, INDUSTRIAL DISTRIBUTION, Jan. 31, 2000 at 55.

78. Lawrence J. Siskind, *Settling the Wild Cyber Frontier; Domain Names Should be Treated as Property*, TEXAS LAWYER, Nov. 22, 1999, at 43.

79. Every domain name has a suffix indicating which top-level domain (TLD) it belongs to. See *Domain Name- Webopedia Definition and Links* (last modified May 15, 1998) <[http://webopedia.internet.com/TERM/d/domain\\_name.html](http://webopedia.internet.com/TERM/d/domain_name.html)>.

org's and net's—then I would suggest you go to Domain Surfer<sup>80</sup>, which is on the list. Again, not to malign Pfizer, but doing a search of Viagra, I found 534 domain names in which the term “Viagra” was either leading, ending or buried.

There's no perfect tool for searching the names of cybersquatters—that is, the owners of infringing domain names. The best on the list you have is web site. It will at least aggregate the names of owners of active web sites. And an active web site can mean nothing more than a page which says: This web site for sale. So it is better than nothing.

In the list of domain-name search sources, you will see there are a number of foreign domain-name sources. This is a good way to quickly screen whether a particular domain name is taken in any of over 200 jurisdictions. The information available on these searches varies a lot, because the databases that each country provides or maintains will vary a lot, depending on who is doing it. But it is certainly better than nothing and the price is right—it's free.

You can search trademarks on the Internet. The best source for screening trademarks is the PTO's own web site, which is free.<sup>81</sup> It's a little outdated—they only update once every two months. I don't know if that's improved at all. And I've heard a lot of complaints about it. But it's a great way to screen; it's a great way to eliminate something. There are other sources listed on this list that you can look at—anything from Saegis, which is Thomson & Thomson's Trademark Scan, to TM Web, the \$25 search.<sup>82</sup> The only comment I have on that is: You get what you pay for.

The basic search tools on the Internet are search engines, meta-search engines and search bots. Search engines you've probably heard about. Meta-search engines are, in effect, search engines of search engines. They will aggregate any, from a dozen to maybe a hundred or more, search engines all together, and try to combine

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80. See *Domain Surfer* (visited Feb. 22, 2000) <<http://www.domainsurfer.com>>.

81. See *Patent and Trademark Office Home Page* (last modified Feb. 2, 2000) <<http://www.uspto.gov>>.

82. See *TM WEB Homepage* <<http://www.tmweb.com>>.

the results. Sometimes one on top of the other; sometimes combine them all into one seamless list. Search bots are not well known in this profession, but they are really excellent tools because they, in effect, will use some algorithm to do the searching for you, and highlight the results in some way.<sup>83</sup>

Through searches you can find web sites and Usenet groups. Usenet groups<sup>84</sup> are any one of 40,000 different, at last count, groups of special interest, in which a lot of commerce takes place, and a lot of infringement takes place. You can find public mailing lists. I have no idea how many there are. You can find FTP sites, which are file transfer protocol sites, where a lot of infringing software, and a lot of infringing music is sold. There are directories and sources of business intelligence of every conceivable description. Obviously, there is no time to go through this in any great detail. In general, I use meta-search engines to screen marks, to screen what I'm looking for—essentially to help me frame the search—and then I use search bots to actually do the searches, to find what's most pertinent.

The Internet is also a great place to investigate whether or not a trademark is in use. If someone has accused you of infringing their mark, if you're not sure if someone is using a mark, if you get a 2-D rejection on a trademark application, or if you're thinking of opposing someone, very often you will find their product on the Internet. As more and more businesses come onto the Internet, more and more business information comes on the Internet. It is also a great way to find out if a term is very commonly used; if it is generic; if it is very diluted—because you will find that everyone is using it, for all different kinds of purposes. It's a great way to save the time, and the money involved, in doing a commercial investigation, especially if you can prove a positive. You can never use it to prove a negative, but often you can use it to establish that something is in use.

Another great thing about the Internet is that it leaves digital

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83. See *What's a Bot?* (visited Feb. 22, 2000) <[http://www.botsпой.com/bot/what\\_is\\_a\\_bot.html](http://www.botsпой.com/bot/what_is_a_bot.html)>.

84. See *USENET – Webopedia Definition and Links* (last modified March 19, 1998) <<http://www.webopedia.internet.com/TERM/U/USENET.html>>.

footprints. If you've been on the Internet or any public web site, or if you've been on any public mailing list, you can be found. I can go on the Internet now and find trivial letters which I wrote to public mailing lists in 1994. You can do this when you have nothing but an e-mail address, or very little information. You can trace that e-mail address to see where he has written, see what he has written about. Often you will find a pattern of activity that someone is essentially in the business of buying and selling domain names, or you may find out where he really works, or where he really lives because of something he has done in a totally unrelated area. This is a terrific source of, again, corporate espionage and tracing people.<sup>85</sup>

Of course, it is not perfect. Not all companies are on the Internet yet. The information is often very disorganized, and there is really no consistency in the search tools—it's still very much a cloak-and-dagger, cat-and-mouse game. I love it, but it drives some people crazy.

When do you conduct a search? Do you wait for the client to come to you and say: "Oh, my God—look what I found. We gotta do something about it?" Or do you have a proactive program, where you regularly review the Net to see what's out there, to see what consumers are out there? Well, I've heard it both ways—depending on the company, depending on the lawyer, depending on the overall philosophy of the firm or the corporation.

I personally favor a steady, proactive strategy. I think it's important to go out there and see what your likely customers, what your likely competitors, are seeing and what they're doing. This involves a consistent strategy. How aggressive should you be? That depends on how you are generally. Some companies in trademarks are very aggressive, and others are not.

Now, we're all busy people, and we often don't want the responsibility of becoming searchers for our clients; our clients don't

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85. Cf. LARRY LESSIG, CODE AND OTHER LAWS OF CYBERSPACE, 17-19 (1999) (describing how a "worm" can be designed by the FBI to propagate itself on the Internet and find its way on to computer hard disks wherever it can in order to search for sensitive documents).

want the responsibility of becoming searchers for us. So are there professional search companies we can turn to? Is there an equivalent of a Thomson & Thomson's, CCH, or Corsearch that we can rely on? Well, on the list there are a number of companies. Many of these are not really trademark search companies—they are, in effect, corporate intelligence tracking; competitive intelligence; or just trademark or marketing-research companies. However, you may find some of their services useful.

Trademark policing is a very difficult art, and none of these companies have done it perfectly yet. In fact, some of the companies that went out like raging bulls, telling the whole trademark world that they are great trademark policemen, either fell flat on their face, went out of business, or changed themselves into marketing-research companies. After all, marketing research is kind of a warm and fuzzy concept, and you don't have to come up with such wonderful, absolute results.

I do believe that trademark policing on the Internet will become better. There are new generations of companies forming that use unique technologies. One of them, which recently demonstrated their technology to me is called Image Lock, in San Francisco. They use what they claim is "digital fingerprinting." Rather than having this imperfect word-searching, they will actually digitally find images, music, groups of words, and pull them up very quickly. The early results that I've seen look promising but, like all these companies, we'll see how it is when they have to do some very serious searching. But I do eventually feel that, one of these days, there will be a few companies that you could rely on for that purpose.

So who do we do searching for? When can I recommend to you that you search the Internet? Well, there are two situations where I think Internet searching is important. One is if you have a client who really wants to know what's out there and who, before they use a mark, would like to know as much as possible. They don't want to step on anyone's toes and they don't want to waste their time. In that case, an Internet search would be good. An Internet search is also good, again, if you're investigating use; if you think someone's infringing your mark or if someone is accus-

ing you of infringing their mark. I do not use or recommend an Internet search for your standard trademark clearance, in part because I value my sanity, what's left of it, and this would make me go bonkers . . . as Susan can understand.

Finally, I just want to add that the growth of trademark use and abuse on the Internet is reflective of the growth of trademarks in general. When I started in this business, and Susan can understand this, *The Official Gazette of Trademarks*, the weekly publication of how many trademarks were published for opposition, was so small you could practically review it on a coffee break. I've been told by a friend of mine in Washington (*The Gazette* is published every Tuesday) that the December 21st *Official Gazette of Trademarks* will contain 6,500 trademarks.<sup>86</sup> The *Official Gazette of December 28th* will contain over 8,000 trademarks. I can't even imagine how anyone can review that.

MS. DOUGLASS: It will come in volumes.

MR. GREENFIELD: Yeah, I understand it is going to come in two volumes. So IP monitoring has really come a long way. It is not a job for the weak at heart. Thanks a lot.

MS. GREENWALD: Thank you, Neal. And thank you to all of the panel members. But before we go to our wine-and-cheese reception, I'd like to open the forum up for questions. Does anybody have a question? Yes.

QUESTIONER: Susan—if you're reviewing a full search—let's say for Gizmo—and the main name section has fifteen or sixteen hits, including gizmo.com. How do you handle these voluminous references? How do you report on it?

MS. DOUGLASS: If there is a handful, I just quickly pop in and look at them myself. I just put not available, not available—not accessible, not accessible, for most of them. I just tell them, "There's a lot out there." But I look at the company names. They give you some printout, and I look at them. Any one that looks like it's remotely possible that it's there, I'll look at it.

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86. See *Official Gazette, Patent and Trademark* (last modified Aug. 23, 1999) <<http://www.uspto.gov/web/menu/og.html>>.

Then I'll do a disclaimer and I'll say: I did not visit all the sites, and some of them were not accessible, but there may be some live business there. If you want, we will— What we would do is get an investigator. At our billable rates, it doesn't make sense for us to do that. We would just farm it out to somebody, who is \$80 an hour. And, you know, not as thoroughly as what Neal was talking about, but somebody to pop in there and look at them. And then you have to worry. Should you say in the letter: You should investigate those references? And after these cases that I've discussed, I would hesitate to tell a client that in a letter.

MS. GREENWALD: Anyone else? Yes.

QUESTIONER: Not as much a question as a comment. I think if you morph Susan and Neal's comments together—it seems that the trend toward liability for practitioners, using the methods that are available—that with that trend, and the plethora of Internet research source materials, our jobs are only going to become a lot more difficult and a lot more dangerous.

QUESTIONER: I have a question. How does an outside lawyer protect himself against a malpractice award of \$342 million?

MS. DOUGLASS: The insurance doesn't cover that.

QUESTIONER: I guess just say no.

MS. DOUGLASS: But you can't just say no. Why would they call you if you just say no? I mean, what you have to do is say: There are risks inherent in this mark, for the reasons that, there's only one other mark; there are three other marks there. They're in a field which could remotely be deemed to be related. But, as a practical matter, you just have to make a judgment. It's a business decision for the client to make. And all you can do is lay out the risks and say: In the past, the courts have been inclined to find this or that.

And you cannot make the decision for your client—your client has to make the decision. And you just have to lay out the risks. And where you are at fault is if you don't lay out the risks, as their lawyer, pointing out the problems with dilution; the problems with just a single hit—or possibly two hits. And, investigating them and finding out maybe there is a license between them, so it's



really only one company? That's another trap, secret licenses.

QUESTIONER: In terms of using the Internet, because domain names are so easily taken up, as a method of searching, would you suggest or comment on taking the mark, or proposed mark, and using it as a search term in Yahoo!, Alta Vista, or other search engines—popping it in and see what comes up? You might actually find a product name that way that would be relevant. Such information might not have come up on a regular trademark search, if, for example, it wasn't registered by common-law use.

MR. GREENFIELD: Sure. And domain names are often just the tip of the iceberg in Internet problems. Putting a search term in Yahoo! or Alta Vista, to see if it's a trademark, depends. If it's a truly unique term, it's of some utility, and it could be done. If it's a very common word, or a series of very common words, you're going to get 862,412 hits—and who has the time to review those?

I would suggest using some of the search bots for that purpose. My favorite for that is Who's Talking?—which tends to find those words which are most likely to be trademarks. I'm not sure how it does it. It's the one that takes the longest. It takes maybe a couple of hours to do a complete search, but it arranges them very interestingly. Other search bots, such as Copernic<sup>87</sup>, are very quick and easy, and they will quickly highlight the terms. And you could see whether or not these terms look useful.

Like doing any other search. If you're doing a search on Lexis, Nexis or anywhere else, try something and see what results you're getting. If you're not getting good results, see what else you can mix it with. See if you can mix it with a generic that would bring you closer. See if you could use commands like “and,” or “near,” or “not”—to eliminate words that are interfering from an effective search. You've all learned Boolean search strategies from other methods, and they're of some use on the Internet, as well.

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87. Copernic 99 simultaneously searches up to 32 Internet search engines at once. It uses predetermined categories, allowing targeting of inquiries in over 125 major search engines grouped in about 20 categories such as the Web, newsgroups, e-mail addresses, and subject areas. Results returned by engines are stored and organized on disk for better search management and faster browsing. See <http://www.copernic.com> (last modified Feb. 18, 2000).

QUESTIONER: I'm a solo practitioner on Staten Island, and I represent a lot of individuals, who want to get into businesses. And a lot of people now are coming to me and saying: we want to get on the Internet with a product or service. So rather than have Pfizers and Tommy Hilfigers, you have an individual who wants to start up possibly a second business. And the first thing they want to do is get a name, get a trademark, get on the Internet—as the first thing they want to do.

And I think that's one of the reasons why you've got 8,000 marks published in the Gazette now. The trend is that everyone in the world now, almost, the minute they want to get into business, the first concept is to get on the Internet. That's where I've been getting a lot of work now. And it's weird when you have a travel agent on Staten Island who's having a trademark dispute with a resort in The Virgin Islands, which is something that never would have happened in the past. Every little mom-and-pop business now, in far-off corners of the world, are now suddenly at odds with everybody, and anyone in the world. I have a follow-up question. Are full searches really enough anymore, if they don't cover the actual content on the Internet and your clients expect more? For example, searching the net with something like the Thomson and Thomson Web comber. Is that kind of a search reliable?

MR. GREENFIELD: I can tell you that Thomson and Thomson will be the first to admit that the site-comber search is almost useless. Because although it grabs sample content, it is not necessarily the most relevant content. I can also tell you that Thomson and Thomson, and all the other search services, are very busy talking to anyone out there who has a good technology, or a good method, that they could license or integrate. All of them want to put an effective Internet search into their full searches. And I'm sure that someday that will work out. But that is a problem.

Should you go beyond the Thomson and Thomson search, or whatever search you do? Most of my clients don't. There is no court in the world that requires them to. A few will decide they want to know everything there is, especially if they're in a business which is likely to be found on the Internet. But the problem that we have from the solo practitioner on Staten Island, and the remote

jurisdictional problems? Yes, this is happening. This is new, and there is no pat answer for it yet.

MS. DOUGLASS: I was just going to say, until there is another bad case, one that comes after these other bad cases, that says, it's not enough to rely on Thomson and Thomson, or CCH, or Corsearch, I would think that you would be safe saying: This is the standard in the industry now. And I would feel comfortable doing that, even with a large client. And for a small client it is a question of cost. What Neal is talking about in these searches—I don't have clients who will pay for that.

QUESTIONER: On a slightly different topic—you described the cases you discussed as bad cases. I mean, can anyone doubt for a minute that the reason Hilfiger took the name Star Class was precisely because it was the name of the yacht class?

MS. DOUGLASS: Yes. I think you're right.

QUESTIONER: And on what basis do you think it's a bad case for him to get caught with his knockoff pants down on this?

MS. DOUGLASS: I think it's a bad case because it imputes a duty that wasn't in the law. Of course, people are always making new law—but that duty to search wasn't there before. And if you are looking in the clothing category, and you know that there is a yachting society or association that uses a Star— I once did a search on stars—you're talking about the word "star" class, too. But for stars in footwear? It came in two volumes, each one this thick, and just for goods that had footwear in them.

QUESTIONER: No, I'm talking about the name "Star Class"—which is the yacht name. It's the name of that particular class of yacht.

MS. DOUGLASS: And that's interesting, because that goes to the dilution issue, as to whether regular kids—who are his market, who are seventeen years old—would know that Star Class was a type of yacht – or was a yachting term. And his market, it wouldn't be known.

QUESTIONER: One of the things we do on Staten Island is race sailboats. And, in fact, that's exactly how I read it—how each individual class of boats— I believe Star Class is an Olympic-

class sailboat. It is a pretty famous class of sailboat. And I read the case exactly the same way.

MS. DOUGLASS: That's interesting.

QUESTIONER: If you're marketing any kind of image—if Nautica did it, it would be the same thing, because you're imputing a certain nautical sense to that. And you should at least have looked at other sailing-type terms. I think it was just the closeness between the sailing motif and Tommy Hilfiger's image. There is a very big nautical motif there. That was how I read that case—that it was really more of a knock-off. But if he is doing all this nautical stuff, he really should know a little bit more about sailing.

MS. DOUGLASS: And a lot of it, too, is that we, as trademark lawyers, have to become educated. And I, for example, in the center of Westchester, would not have known that. But a lot of times I'll call clients, and I'll say: Does this mean something? Does this have some significance? And they often say to me no. And then, when I find something in a search, and I will mention some reference that I found in the common-law section of a search, they'll say: Oh, yeah. Well, we knew about that. . . . They always know about it. And they don't tell you. And they think that if you don't find it, that it doesn't count? It's true.

MS. GREENWALD: Does anybody else have any question?

QUESTIONER: With all the explosion of trademarks and the explosion of the availability of information about possible conflicts, are you folks advocating more aggressive cancellation strategies?

MS. DOUGLASS: I would. Just knock them out.

QUESTIONER: And the second part of that is, do you see anything in the URL domain-name field? Are we moving in the direction where it might be practical to attack that as well?

MR. MUDGE: Well, one thing—I don't have all the details in front of me—is that there are going to be some new rules and policies for handling domain-name disputes, with the advent of the twenty, or thirty, or however many there are registrars<sup>88</sup> that are

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88. See ICANN, *Uniform Domain Name Dispute Resolution Policy* (last modified

coming down the pike—beginning, I think, January 1. So there is going to be the ability to have some kind of procedure where, if you think somebody is using your domain name—and not only is it an exact knockoff, but it is maybe confusingly similar to your domain name – you will have some kind of a quasi-administrative proceeding available to you—at least to raise a complaint.

MS. GREENWALD: I think we'll take one or two final questions, and then it's going to be time to head over to wine and cheese. If anyone has any burning questions, they are free to ask the panel members at the reception. But I'll take your question and your question.

QUESTIONER: Thank you. It's my understanding that Network Solutions has adopted a uniform domain-name dispute resolution policy as of January 1st?<sup>89</sup>

MS. DOUGLASS: Yes.

QUESTIONER: Which has actually caused some problems at this point—they have now stopped handling all the pending proceedings.

MR. GREENFIELD: That's right.

QUESTIONER: And there are a lot of people very upset.

MR. GREENFIELD: Let me just mention also— You are correct. All pending proceedings are no longer being handled. Further, they will start sending letters to the 2,200 complainants who have had domain names put on hold after January 1st, giving them ninety days to either start a new proceeding under the uniform dispute resolution policy, to go court, or settle with the domain name owner—or they will release those names from hold.<sup>90</sup> So they are essentially getting out of this business, and you're going to have to rely on the uniform domain dispute policy, which is in the ICANN site—icann.org.<sup>91</sup> You can get all the rules and everything you

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Jan. 3, 2000) <<http://www.icann.org/udrp/udrp.htm>>.

89. See *Domain Magistrate, Domain Name Dispute Resolution Policy* (visited Feb. 20, 2000) <<http://www.domainmagistrate.com/dispute-policy.html>>.

90. See *ICANN, Uniform Domain Name Dispute Resolution Policy* (last modified Jan. 3, 2000) <<http://www.domainmagistrate.com>>.

91. See <<http://www.icann.org/udrp/udrp.htm>>.

need to know from there. Or you are just going to have to go to court.

QUESTIONER: Just on that point. I just wanted to mention that I understand the anti-cybersquatting legislation<sup>92</sup> was just passed by the Senate and House. It's gone through committee, and it's waiting signature by President Clinton.<sup>93</sup>

MS. DOUGLASS: I think he just signed it two days ago?

MR. GREENFIELD: I heard that it was signed today. Was it yesterday?

MR. MUDGE: I heard yesterday that it was signed. But maybe not.

MR. GREENFIELD: Well, I read that it was signed today.

MS. GREENWALD: Okay. Well, I think this has been a very informative, interesting and useful discussion. I'd like to thank each of the panel participants. I would like to thank the audience.

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92. The Bill was signed into law on Nov. 29, 1999 as part of the Budget Bill. *See* Omnibus Appropriations Act H.R. 3194, Pub. L. No. 106-113 (adding a new section § 43(d) to the Lanham Act). *See also* Steven R. Englund, et. al. *Recent IP Legislation is Most Sweeping in Years: It Includes Broad Changes to Patent Law as Well as the New Anti-Cybersquatting Statute 1/31/00* NAT'L L.J. C18, (col. 2).

93. *See id.*