

October 2018

## Keep Your Laws Off My Domain Name: How a Misinterpretation of "Regulation" in the Anticybersquatting Consumer Protection Act Violates the Property Rights of Individuals

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### Recommended Citation

Clarke D. Cotton, *Keep Your Laws Off My Domain Name: How a Misinterpretation of "Regulation" in the Anticybersquatting Consumer Protection Act Violates the Property Rights of Individuals*, 86 U. Cin. L. Rev. 265 (2018)

Available at: <https://scholarship.law.uc.edu/uclr/vol86/iss1/7>

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## KEEP YOUR LAWS OFF MY DOMAIN NAME: HOW A MISINTERPRETATION OF "REGISTRATION" IN THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT VIOLATES THE PROPERTY RIGHTS OF INDIVIDUALS

*Clarke D. Cotton\**

### I. INTRODUCTION

The 2015-2016 Republican primary season was nothing if not unique. The primary debates had to be split into "A" teams and "B" teams with the opposing candidates being asked to pledge on national television that they would, in fact, support the eventual nominee. The 2015-2016 Republican primary was far from ordinary.

It's no wonder, then, that perhaps one of the more ridiculous and hilarious incidents of the primary season flew under the radar. As early as December 2015, potential voters that typed "JebBush.com" into their Internet browser were not taken to a website supporting the former Governor of Florida. Instead, they were redirected to the website of the eventual Republican nominee, Donald J. Trump.<sup>1</sup>

The official Jeb Bush for President website was "Jeb2016.com," but Jeb Bush's campaign team, when creating the website, neglected to buy up similarly-worded websites. Thus, the team inadvertently left open the opportunity for others to buy those domain names. The Trump campaign denied responsibility for the domain name purchase, noting that the true owner's identity was kept anonymous by the registrar, Fabulous.com.<sup>2</sup>

Moreover, Bush's misfortune was not limited to a re-direct to the Trump website. Two more websites: "JebBushforPresident.com" and "JebBushforPresident.net" were far from supportive of the Republican candidate. "JebBushforPresident.com" is an LGBTQ blog run by a gay couple, C.J. and Charlie.<sup>3</sup> While the website is not strictly anti-Bush, the couple chose the domain name after Bush likened LGBTQ rights to elevating sodomy.<sup>4</sup> Conversely, JebBushforPresident.net does not pull any punches, posting a large "NOT" over "Jeb Bush for President" header on the website.

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1. Yanan Wang, *JebBush.com redirects to Trump, but for a real kick, click on TedCruzForAmerica.com*, THE WASHINGTON POST (Feb. 17, 2016), <https://www.washingtonpost.com/news/morning-mix/wp/2016/02/17/jebush-com-redirects-to-trumps-site-but-wait-till-you-see-where-tedcruzforamerica-com-goes/>.

2. *Id.*

3. *Id.*

4. *Id.*

Jeb Bush was not the only candidate who saw his name parodied; “TedCruzforAmerica.com” kept visitors on their toes by sending Internet surfers to President Obama’s Affordable Care Act website, to a re-direct of the Human Right’s Campaign, or to an apparent advertisement to immigrate to Canada, the country in which Cruz was born.<sup>5</sup> Today, “TedCruzforAmerica.com” sends viewers to a politically-charged dating website called “Maple Match,”<sup>6</sup> which connected Americans with possible Canadian love interests in case the 2016 presidential election yielded an undesirable result.<sup>7</sup>

Despite the media coverage given to the misfortunes of Republican candidates Bush and Cruz, the Democrats were not immune to website issues. On the Democratic side, both Hillary Clinton and Bernie Sanders faced similar problems. Although the link is no longer active, a website apparently dedicated to Clinton—“hillaryclinton2016.com”—took viewers to a website with a Huffington Post-like layout, but with the headline “Hillary’s Gender Fabrications,” which in turn linked readers to a Washington Times article about Clinton using her gender to her advantage during the election.<sup>8</sup>

Most of the Hillary-related domain names were owned by one person, Janet LaCelle, a retired factory worker.<sup>9</sup> LaCelle purchased numerous domain names, including “ElectHillary.com” and “ReelectHillary.com,” over a decade ago and hoped to sell them for thousands of dollars.<sup>10</sup> However, it does not appear that the Clinton campaign entertained any of LaCelle’s offers or attempted to pursue legal action against her.

Finally, some of the Sanders websites ranged from supportive to ridiculous. “BernieSandersForPresident.com” fully endorsed the Vermont Senator with a homepage declaring in an excited, albeit grammatically painful, voice: “Bernie Sanders for President 2016 / Run Bernie Run / A rare politation [sic] who refuses PAC money and he is a voice of reason in a divided country the USA.”<sup>11</sup> Another site, “BernieforPresident.com,” offered potential voters an opportunity to cast an online vote for Bernie Sanders or for Bernie Lomax, the deceased financial executive in the comedy “Weekend at Bernie’s.”<sup>12</sup>

A far more unique approach, however, was the website

5. *Id.*

6. MAPLE MATCH, <http://TedCruzforAmerica.com> (last visited December 2, 2016).

7. *Id.*

8. Wang, *supra* note 1.

9. *Id.*

10. *Id.*

11. *Id.* See also <http://www.BernieSandersForPresident.com> (the current website has been updated supporting Sanders for a 2020 run).

12. Dan Good, *Jeb Bush Pranked by Donald Trump in Presidential Domain Game*, New York Daily News (Feb. 17, 2016 at 1:53pm).

"ElectBernie.com." This website, which is still operating as of February 10, 2017, takes visitors to a website dedicated to traffic safety.<sup>13</sup> The website does not appear to endorse Sanders or any other political candidate. In fact, it seems to stay out of politics altogether. The "About" section of the website addresses the domain name and poses the question, "Why is your site called ElectBernie.com?"<sup>14</sup> The page provides its own answer, or rather the lack thereof, stating, "That's a great question and one day we'll have an answer."<sup>15</sup>

While many of these websites may seem funny or ridiculous, they do raise very interesting questions about the rights people have to their own name, their business's name, and domain names that are bought for an unknown use. This Comment will explore the Anticybersquatting Consumer Protection Act ("ACPA") and its effects on website registrants. Part II of this Comment identifies and discusses the pertinent parts of the ACPA. Part III explores conflicting interpretations of the word "registration" under the ACPA between the Third and Ninth Circuit Courts. Finally, Part IV identifies why the Ninth Circuit was correct and explores how the Ninth Circuit's interpretation, properly applied, protects the rights of all parties and could have been used by the Third Circuit to reach the same conclusion.

## II. BACKGROUND

The background section of this Comment explores the enactment of the Anticybersquatting Consumer Protection Act (ACPA) and the reasons for its enactment. Moreover, this section investigates the text of the statute, including the requirement of bad faith during a registration.

### A. *The Enactment of the ACPA*

Cybersquatting, also known as cyberpiracy, "consists of registering, trafficking in, or using domain names (Internet addresses) that are identical or confusingly similar to trademarks with the bad-faith intent to profit from the goodwill of the trademarks."<sup>16</sup> In an attempt to prevent cybersquatting, Congress enacted the ACPA.<sup>17</sup> Essentially, cybersquatters register numerous domain names and then hold those domain names at ransom in an effort to extort money from a person or a

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13. ELECT BERNIE, <http://www.electbernie.com> (last visited February 10, 2017).

14. *Id.*

15. *Id.*

16. Trademark Cyberpiracy Prevention Act, H.R. 106-412, 106th Cong. §1 (1999).

17. Southern Grouts & Mortars, Inc. v. 3M Co., 575 F.3d 1235, 1246 (11th Cir. 2009).

company more commonly associated with that domain name.<sup>18</sup> Cybersquatting also occurs where the cybersquatter “intend[s] to profit by diverting customers from the website of the trademark owner to the defendant’s own website, where those consumers would purchase the defendant’s products or services instead of the trademark owner’s.”<sup>19</sup> Through either of these acts, cybersquatters become civilly liable to the owner of the trademark because the ACPA provides, in pertinent part:

(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person--

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

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

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark ...<sup>20</sup>

However, the ACPA does not manage the registration of domain names. That responsibility is left to the Internet Corporation for Assigned Names and Numbers (ICANN), which is responsible for overseeing multiple third-party registries.<sup>21</sup> The Ninth Circuit has explained the process for the registration of a domain name:

[T]here are three primary actors in the domain name system. First, companies called “registries” operate a database (or “registry”) for all domain names within the scope of their authority [e.g., all .com, .net, .gov, etc. domain names]. Second, companies called “registrars” register domain names with registries on behalf of those who own the names. Registrars maintain an ownership record for each domain name they have registered with a registry. Action by a registrar is needed to transfer ownership of a domain name from one registrant to another. Third, individuals and companies called “registrants” own the domain names. Registrants

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18. *Supra* note 16.

19. *Utah Lighthouse Ministry v. Found for Apologetic Info and Research*, 527 F.3d 1045, 1058 (10th Cir. 2008).

20. 15 U.S.C. § 1125(d)(1)(A) (2012).

21. *Jysk Bed’N Linen v. Dutta-Roy*, 810 F.3d 767, 775 (11th Cir. 2015).

interact with the registrars, who in turn interact with the registries.<sup>22</sup>

The ACPA applies to all Internet domain names, regardless of whether the domain name was registered before or after the enactment of the ACPA.<sup>23</sup> Thus, for one to prevail in an ACPA claim, the party must show: "(1) registration of a domain name, (2) that was 'identical or confusingly similar to' a mark that was distinctive at the time of registration, and (3) 'bad faith intent' at the time of registration."<sup>24</sup> Moreover, the ACPA defines "mark" as something that is "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner."<sup>25</sup>

However, the ACPA does not define the word "registration," which leads to a significant jurisdictional split. Courts determined that an initial registration – the first time that a domain name is registered – constituted a "registration" under the ACPA. However, courts are split on what actions constitute a "registration" after that initial registration.<sup>26</sup> Once a registrant has registered a domain name, they can modify that registration in a multitude of ways, including: updating contact and billing information, switching to a "private" registration, switching between registrars, changing the name of the registrant without updating billing information, and transferring both the domain name and billing information to another party.<sup>27</sup>

The multitude of options for a registrant has left the courts with the task of deciding how "registration" and any subsequent actions should be interpreted. The Third Circuit chose to liken the registration of a domain name to contract law.<sup>28</sup> Specifically, the Third Circuit held that the word "registration" "includes a new contract at a different registrar and to a different registrant."<sup>29</sup>

Conversely, the Ninth Circuit interpreted "registration" under property law, finding that the registrant receives a property right in the domain name when he or she registers it.<sup>30</sup> Thus, the registrant can transfer that "property" to others.<sup>31</sup>

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22. *Office Depot Inc. v. Zuccarini*, 596 F.3d 696, 699 (9th Cir. 2010).

23. *Sporty's Farm LLC v. Sportsman's Market Inc.*, 202 F.3d 489, 496-97 (2d Cir. 2000).

24. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1030 (9th Cir. 2011).

25. 15 U.S.C. § 1125(e)(2)(A) (2012).

26. *GoPets Ltd.*, 657 F.3d at 1030.

27. *Id.* at 1030-31.

28. *Schmidheiny v. Weber*, 319 F.3d 581, 583 (3d Cir. 2003).

29. *Id.*

30. *See GoPets Ltd.*, F.3d at 1031.

31. *Id.*

### B. *Bad Faith Under the ACPA*

When Congress enacted the ACPA they laid out nine non-exhaustive factors to guide courts in determining what constitutes bad faith, enabling the courts to consider such factors as the trademark and intellectual property rights of the person, the legal name of the domain name owner, the prior use of the domain name, the current use of the domain, and the intent to divert consumers from the mark owner's own online location, among others.<sup>32</sup> Again, these factors are non-exhaustive. Thus, Congress also empowered the courts to look outside of the factors that Congress drafted to make their own determination of bad faith; Congress wanted the courts to treat these issues on a case-by-case basis and reach a decision based upon the intent of the parties in litigation.

### C. *The Purpose of the ACPA*

Ultimately, the purpose of the ACPA is to prevent cyberpirates from buying up domain names and then holding them for ransom over the proper owners.<sup>33</sup> While there are always many reasons Congress may pass legislation – lobbying from corporations, businesses, and special interest groups, for example – the ACPA is somewhat unique in that the federal government itself had a special interest in preventing cybersquatting.

All federal government websites have the URL ending “.gov.”<sup>34</sup> Only government domains can obtain the “.gov” notation, but that does not necessarily prevent other parties from squatting on similarly worded websites but with the “.com” or “.org” ending. In fact, this very situation arose prior to the passing of the ACPA.<sup>35</sup> The official website of the White House is “whitehouse.gov.”<sup>36</sup>

Cybersquatting made locating the “whitehouse.gov” website more difficult. As Internet usage became more and more common, schools began teaching students how to use the Internet, often assigning research assignments to help students become more comfortable with using the Internet. These students, and likely many of the teachers, did not recognize that a government website would need to end in “.gov” because most people default to the “.com” ending when searching a

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32. 15 U.S.C. § 1125(d)(1)(B)(i) (2012); *See also* Trademark Cyberpiracy Prevention Act, H.R. 106-412, 106th Cong. §1 (1999) at 8.

33. *See* Jysk Bed’N Linen v. Dutta-Roy, 810 F.3d 767, 777 (11th Cir. 2015).

34. Ted Bridis, *Whitehouse.com to get out of the porn business*, SEATTLE PI (Feb. 10, 2004, 10:00 AM), <http://www.seattlepi.com/business/article/Whitehouse-com-to-get-out-of-the-porn-business-1136674.php>.

35. *Id.*

36. THE WHITE HOUSE, [www.whitehouse.gov](http://www.whitehouse.gov).

URL browser. So imagine the surprise students, teachers, and the general public alike experienced in the late 1990's when "whitehouse.com" did not lead to an informational website about the President's home, but rather to a pornography website.<sup>37</sup>

"Whitehouse.com" was purchased by Daniel Parisi with the intent of starting a forum for the average person to discuss political issues facing America.<sup>38</sup> However, he quickly discovered that political discourse was not profitable and changed the direction the website to pornography, a very profitable industry.<sup>39</sup> Parisi eventually sold the domain name to the federal government, deciding to get out of the pornography business because his young son would learn about the Internet in school.<sup>40</sup> When Parisi made the decision to sell the website, he elected to be discretionary in his sale, making sure that the site would not be used in pornography again.<sup>41</sup> Today, the "whitehouse.com" website simply contains a picture of the White House, but it is easy to see why Congress would be motivated to prevent these problems in the future.

The *Jysk Bed'N Linen v. Dutta-Roy* court discussed the legislative intent of the ACPA as it applied to "registration" in its opinion.<sup>42</sup> The court looked to the Oxford English dictionary for the definition of "re-register," which is defined as "[t]o register again."<sup>43</sup> Based on that definition, the *Jysk* court decided that the language was "plain and unambiguous."<sup>44</sup>

### III. PERTINENT CASES

Proper understanding of the issue created by conflicting interpretations of "registration" under the ACPA requires a discussion of the pertinent case law. This section summarizes three pertinent cases that analyzed "registration" under the ACPA under two different interpretations. First, this section summarizes the contract law interpretation through the Third Circuit's decision in *Schmidheiny v. Weber* and the Eleventh Circuit's subsequent decision in *Jysk Bed'N Linen v. Dutta-Roy*. Second, this section summarizes the property interpretation through the Ninth Circuit's decision in *GoPets Ltd. v. Hise*.

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37. Brindis, *supra* note 34.

38. Adam Blenford, *Political Porn Site Does the Adult Thing*, THE GUARDIAN (February 10, 2004, 7:03 AM EST) <https://www.theguardian.com/technology/2004/feb/10/usnews.internationalnews>

39. *Id.*

40. Brindis, *supra* note 34

41. Blenford, *supra* note 38

42. *See Jysk Bed'N Linen v. Dutta-Roy*, 810 F.3d 767, 777 (11th Cir. 2015).

43. *Id.*

44. *Id.*



### A. *The Contract Law View*

#### 1. *Schmidheiny v. Weber*: New Contract with Registrant Creates New Registration

In *Schmidheiny v. Weber*, the plaintiff, Stephan Schmidheiny, brought an action against Steven Weber for violating the ACPA. Specifically, Schmidheiny alleged that Weber violated the Anti-cybersquatting Act in 15 U.S.C. § 1129 (currently 15 U.S.C. § 8131), which protected the names of living persons from cyberpiracy.<sup>45</sup> This provision states that any person who registered a domain name in the name of another living person with the intent to profit would be liable in a civil action.<sup>46</sup>

Weber owned the domain name “schmidheiny.com” through his company Famology.com Inc., of which Weber was the President and Treasurer.<sup>47</sup> In November of 2000, Weber contacted Stephan Schmidheiny’s assistant in an attempt to sell to Schmidheiny the domain name “schmidheiny.com.”<sup>48</sup> Schmidheiny was one of the richest people in the world, with a net worth of over \$3.1 billion dollars, and as such would be highly motivated to prevent a third party from operating a domain name containing his name.<sup>49</sup>

The district court granted summary judgment to Weber, finding that Weber’s registration of “schmidheiny.com” was not covered by the ACPA because Weber created the website before the Congress enacted the statute.<sup>50</sup> While the Third Circuit agreed that the statute was not retroactive – a decision with which many other courts disagree<sup>51</sup> – the court overturned the summary judgment decision because Weber had re-registered the domain name after the statute was enacted.<sup>52</sup>

In March of 2000, the registrant for “schmidheiny.com” was “Weber Net” and the domain registrar was Network Solutions, Inc.<sup>53</sup> However, in June of 2000, a new registrant, Farmology.com, bound itself to the new registration agreement with a new registrar, Internet Names Worldwide, through a one-year contract.<sup>54</sup> Essentially, Weber re-registered the domain name to his other company and with a new registrar. Thus, the Third Circuit found that the question before the court

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45. *Schmidheiny v. Weber*, 319 F.3d 581, 582 (3d Cir. 2003).

46. *Id.* (quoting 15 U.S.C. § 1129).

47. *Id.* at 581-582.

48. *Id.* at 581.

49. *Id.*

50. *Id.* at 580.

51. *Sporty’s Farm LLC v. Sportsman’s Market Inc.*, 202 F.3d 489, 496-97 (2d Cir. 2000).

52. *Weber*, 319 F.3d at 582.

53. *Id.* at 583.

54. *Id.*

was whether the re-registration by Weber qualified as "registration" under the Anti-cybersquatting Act.<sup>55</sup>

The Third Circuit ultimately concluded that this re-registration was a "registration" for the purposes of the Anti-cybersquatting Act and based their findings on contract law.<sup>56</sup> Specifically, the Third Circuit stated that "[w]e do not consider the 'creation date' of a domain name to control whether a registration is subject to the Anti-cybersquatting Act, and we believe that the plain meaning of the word 'registration' is not limited to 'creation registration.'"<sup>57</sup> Thus, the new registration by Weber created a "new contract" with the registrant.<sup>58</sup> Because this registration occurred after the enactment of the statute, the new registration was covered by the ACPA.<sup>59</sup>

## 2. *Jysk Bed'N Linen v. Dutta-Roy*: Each Registration Is a New Contract

In *Jysk Bed'N Linen v. Dutta-Roy*, the plaintiff, Jysk Bed'N Linen, brought an action against the defendant, Monosij Dutta-Roy, for violation of the ACPA. Jysk contracted with Dutta-Roy and his associates, to create a website for Jysk's retail furniture store.<sup>60</sup> Jysk instructed Dutta-Roy to register "bydesignfurniture.com," with Jysk listed as the owner.<sup>61</sup> However, when Dutta-Roy registered "bydesignfurniture.com," he listed himself, rather than Jysk, as the owner.<sup>62</sup> Initially, Dutta-Roy and his associates formed Bazaarworks, LLC to work on the website.<sup>63</sup> However, the relationship between Jysk and Bazaarworks fell apart, so Dutta-Roy took over through her company, Dead Dog, Inc., and monitored and controlled the website.<sup>64</sup>

On April 9, 2012, the registration of "bydesignfurniture.com" expired and the website went down.<sup>65</sup> When that happened, Jysk quickly learned that Dutta-Roy had not registered the website in Jysk's name as instructed.<sup>66</sup> Jysk asked Dutta-Roy to re-register the website in Jysk's name, but Dutta-Roy refused.<sup>67</sup> Instead, Dutta-Roy re-registered the

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55. *Id.* at 584.

56. *Id.* at 583.

57. *Id.* at 582.

58. *Id.* at 583.

59. *Id.*

60. *Jysk Bed'N Linen v. Dutta-Roy*, 810 F.3d 767, 771 (11th Cir. 2015).

61. *Id.* at 771-772.

62. *Id.* at 772.

63. *Id.*

64. *Id.*

65. *Id.*

66. *Id.*

67. *Id.*

website in his own name and simultaneously registered the domain names: “bydesignfurniture.org,” “bydesignfurnitures.com,” and “bydesign-furnitures.com.”<sup>68</sup> Subsequently, Dutta-Roy offered to sell all four domain names to Jysk.<sup>69</sup> Jysk refused and instead filed a lawsuit against Dutta-Roy.<sup>70</sup>

The district court granted summary judgment to Jysk on the ACPA issue but did so without providing its reasoning. Dutta-Roy appealed, arguing that “his re-registration of bydesignfurniture.com, on which the District Court based its finding of bad faith, could not have violated the ACPA because re-registrations are not ‘registrations’ within the purview of the statute.”<sup>71</sup>

The Eleventh Circuit disagreed with Dutta-Roy’s argument and interpreted the statute through the lens of contract, rather than property law. The Eleventh Circuit reasoned that each registration of a domain name was a new contract between the registrar and the registrant.<sup>72</sup> Because the ACPA did not define “registration,” and because it did not contain the words “initial” or “creation” in reference to a registration, the Eleventh Circuit was unwilling to read those words into the statute. Moreover, the Eleventh Circuit reasoned,

[i]ncluding re-registrations under the registration hook comports with the purpose of Congress in enacting the ACPA — to prevent cybersquatting... It would be nonsensical to exempt the bad-faith re-registration of a domain name simply because the bad-faith behavior occurred during a noninitial registration, thereby allowing the exact behavior that Congress sought to prevent.<sup>73</sup>

Thus, using the plain meaning and congressional intent, the Eleventh Circuit concluded that a re-registration “falls within the purview of the ACPA” and upheld the decision of the district court.<sup>74</sup>

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68. *Id.*

69. *Id.*

70. *Id.*

71. *Id.* at 774. It should be noted that at this point Dutta-Roy was proceeding *pro se*. His attorneys had requested and were granted removal from the lawsuit because they were unable to agree with Dutta-Roy on a litigation strategy. Dutta-Roy’s argument about the ACPA was “read generously” by the Eleventh Circuit.

72. *Id.* at 777.

73. *Id.* at 777-778.

74. *Id.* at 778.

### B. *The Property Law View*

#### 1. *GoPets Ltd. v. Hise*: "Registration" Means Only the Initial Registration

In *GoPets Ltd. v. Hise*, the plaintiff, Bethke, brought an action against the defendants, Edward and Joseph Hise, under the ACPA.<sup>75</sup> Edward Hise registered the domain name "gopets.com" in his name in 1999. At the time, Edward Hise registered the name for a marketing class and was planning to develop a business around "gopets.com."<sup>76</sup> Edward Hise and his brother Joseph Hise collectively owned the corporation Digital Overture, which provided Internet-related services to clients.<sup>77</sup> Included in these services was registration domain names, of which Digital Overture had registered more than 1,300.<sup>78</sup>

Bethke founded the company GoPets Ltd. in 2004, five years after Edward Hise registered the domain name "gopets.com." Bethke, who founded GoPets in Korea, registered the service mark "GoPets" in the United States on September 30, 2004.<sup>79</sup> Over the next year, Bethke made multiple offers to the Hises in an attempt to purchase "gopets.com," all of which were either ignored or rejected.<sup>80</sup> Eventually, Bethke filed a claim against Edward Hise in the World Intellectual Property Organization. However, the arbitrator found for Hise because the domain name was not initially filed in bad faith.<sup>81</sup> After the arbitrator's decision, Bethke made two more offers to buy the domain name, one for \$5,000 and another for \$40,000.<sup>82</sup> Edward Hise rejected both offers and presented a counter-offer to Bethke's investors, offering to sell the domain name for five million dollars.<sup>83</sup>

After sending the counter-offer, Edward Hise transferred the registration of "gopets.com" to his brother's corporation, Digital Overture.<sup>84</sup> Finally, in March of 2007, GoPets Ltd. filed an action in the Central District of California alleging that the Hises violated the ACPA by cybersquatting.<sup>85</sup> In May of 2008, the district court granted summary

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75. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1026 (9th Cir. 2011).

76. *Id.* at 1026-1027.

77. *Id.* at 1027.

78. *Id.*

79. *Id.*

80. *Id.*

81. *Id.* at 1028.

82. *Id.*

83. *Id.*

84. *Id.*

85. *Id.* at 1029.

judgement to GoPets Ltd. and the Hises appealed.<sup>86</sup>

Bethke and GoPets conceded that “gopets.com” was not “identical or confusingly similar to” a protected mark because Edward Hise registered the domain name in 1999, five years before GoPets Ltd. was founded.<sup>87</sup> Rather, the thrust of their argument was that the term “registration” in the ACPA should be read to include both initial registrations and re-registrations.<sup>88</sup> Thus, GoPets argued that the re-registration of the domain name by Digital Overtures should be interpreted as a registration within the meaning of 15 U.S.C. § 1125(d)(1).<sup>89</sup>

The *GoPets* court chose to interpret the ACPA “in light of traditional property law... conclud[ing] that Congress meant ‘registration’ to refer only to the initial registration.”<sup>90</sup> Therefore, the re-registration by Digital Overtures was not a “registration” within the meaning of 15 U.S.C. § 1125(d)(1), and the transfer and re-registration did not violate 15 U.S.C. § 1125(d)(1) and Digital Overtures retained the rights to the domain names.<sup>91</sup>

By interpreting 15 U.S.C. § 1125(d)(1) through the lens of property law, the Ninth Circuit concluded that a domain name, much like other types of property, are alienable. The court stated, “[t]he general rule is that a property owner may sell all of the rights he holds in property.”<sup>92</sup> Moreover, the Ninth Circuit reasoned that GoPet’s proposal would make “rights to many domain names effectively inalienable, whether the alienation is by gift, inheritance, sale, or other form of transfer.”<sup>93</sup>

#### IV. DISCUSSION

The discussion section analyzes the legislative intent of Congress and how the *GoPets* interpretation of “registration” comports with Congress’s intent. The discussion section also examines the issues raised by the property rights people have in their own name. Finally, this section considers why courts should look for bad faith in the initial registration of a domain name and how using a property interpretation of “registration,” properly applied, should be employed by the courts.

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86. *Id.*

87. *Id.* at 1030.

88. *Id.*

89. *Id.*

90. *Id.* at 1031.

91. *Id.* at 1032.

92. *Id.* at 1031.

93. *Id.* at 1032.

*A. Legislative Intent*

The *Jysk* court determined that the definition of "registration" was plain and unambiguous, but never addressed the breadth and expanse of "registration" by itself. The court defined "re-register" and, based on that definition, assumed that every "re-registration" would be exactly the same as an initial registration.<sup>94</sup> This over-simplification of "registration" leads to a plethora of potential problems.

As the *GoPets* court pointed out, there were a number of actions that could constitute a "re-registration" of a domain name, including such actions as updating the registration, transferring the registration, updating billing information, and many more.<sup>95</sup> In contrast, the *Jysk* court assumed that a re-registration was always a for-profit or protectionist alienation of the domain name; the *Jysk* court did not address or consider the other actions that may fall within the purview of "re-registration," limiting their definition.

Ignoring other actions that may fall within this definition of re-registration becomes problematic in cases like *GoPets*. If a registrant buys a domain name with the intention of creating a website – even if that website never comes to fruition – a company should not be able to come in and predatorily litigate for ownership of the domain name. Obviously, this is a rather narrow set of circumstances, but not completely uncommon. In *GoPets*, Hise created the website before GoPets Ltd. was founded.<sup>96</sup> Later, Bethke founded his company and then wanted to obtain the website for his own personal use.<sup>97</sup> Under a contract interpretation, Hise would be forever prevented from taking action on his domain name for fear that this new company, GoPets Ltd., could come in and argue that the re-registration was done in bad faith because Hise was not using the website, and because the domain name was confusingly similar to a registered trademark.

Surely Congress did not intend for a person to never be able to update their billing information, to re-register their domain after it expired, or to make it inalienable to others. Yet when interpreting the statute in the light of contract law, courts have the potential to do exactly that. Moreover, Congress gave courts a very strong mandate in requiring bad faith by the registrant.<sup>98</sup> Considering the history of the enactment and the bad faith requirement, Congress did not intend to infringe on the property rights of domain registrants.

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94. *Jysk*, 810 F.3d at 778.

95. *GoPets*, 657 F.3d at 1030-31.

96. *Id.* at 1028

97. *Id.*

98. *Id.*

*B. The Courts have a “People Problem”*

When reviewing a problem like that of Schmidheiny or any of the political candidates discussed above, it might be easy to ask, “Why not trademark your name to protect yourself from cybersquatting?” A famous person who does not own domain names associated with their name could have their name used by other individuals if it is not protected in some other way. Thus, it would seemingly make sense to trademark their name.

However, this is not a valid solution. Generally, people do not have a property right to their own name. Rather, their name has to be used in connection with goods and services.<sup>99</sup> In 2010, former governor of Alaska and Vice-Presidential candidate Sarah Palin attempted to trademark her name.<sup>100</sup> Her initial application was denied for two distinct reasons.<sup>101</sup> First, Palin neglected to sign the application, which was needed to show her consent. Second, she did not show that the applied-for mark was used “in commerce for each class of goods and/or services.”<sup>102</sup> Thus, because Palin was not selling anything or providing a service, her application was denied.<sup>103</sup>

For comparison, consider the Trademark application of Darrelle Revis, a defensive back for the New York Jets. Revis applied to have his name, and specifically the phrase “Revis Island,” trademarked.<sup>104</sup> Unlike Palin, however, Revis sold t-shirts and other merchandise with “Revis Island” printed on them.<sup>105</sup> Because Revis was selling a product in connection with his name, his application was approved.<sup>106</sup> Conversely, Palin’s application did not indicate that she sold goods or provided a service and was, therefore, denied. Had Palin begun selling a product – like Palin’s Pig Lipstick – her application to trademark her name might have been accepted.

So, consider someone like Jeb Bush, whose problems with website redirects were discussed in Part I of this Casenote. Bush is a career politician whose name, much like Sarah Palin’s, is not used in the

99. *Lamparello v. Falwell*, 420 F.3d 309, 313 (4th Cir. 2005).

100. Jessica Hopper, *Sarah and Bristol Palin Want to Trademark Their Names*, ABC NEWS (Feb. 4, 2011) <http://abcnews.go.com/US/sarah-palin-bristol-palin-file-trademark-names/story?id=12843405>.

101. *Id.*

102. U.S. Trademark Application Serial No. 85170226.85/170,226 (filed Nov. 29, 2010).

103. *Id.*

104. Marc Sessier, *Darrelle Revis Approved for ‘Revis Island’ Trademark*, NFL.com (Oct. 13, 2013) <http://www.nfl.com/news/story/0ap2000000263616/article/darrelle-revis-approved-for-revis-island-trademark>

105. Beth Hutchens, *Trademark of Sarah Palin, You Can Trademark Your Name*, IPWATCHDOG (Feb. 11, 2011) <http://www.ipwatchdog.com/2011/02/11/trademark-of-sarah-palin/id=15274/>.

106. *Supra*, note 104.

commerce for goods or services. He cannot trademark his name, so his best option is to buy up as many domain names containing his name as possible. However, it is possible that many, if not all, of these domain names may have been previously purchased. Should that be the case, Bush would still have valid recourse if the domain names are viewed in the light of traditional property law, all while protecting the interests of other purchasers.

Contrast the couple who purchased "JebBushforPresident.com" with that of Janet LaCelle, the woman who purchased multiple Hillary Clinton domain names. It is true that the couple that purchased "JebBushforPresident.com" did not have any affiliation with the Bush name.<sup>107</sup> However, they elected to create a website to voice their opinion of the Republican candidate and inform the general public of their dislike.<sup>108</sup> While they were not selling anything, they were also not trying to profit from Jeb Bush's name.<sup>109</sup> Conversely, LeCelle made these purchases for one reason only: to profit.<sup>110</sup> While there is nothing wrong with LeCelle's entrepreneurial spirit, she was not providing a good or service to society as a whole.

Similarly, a person who buys large parcels of land and then holds them without doing anything valuable with the land can be treated harshly though the doctrine of adverse possession.<sup>111</sup> While adverse possession is clearly not an option in the cyber-world, Congress has provided a remedy through the ACPA's bad faith requirement: if a person buys domain names, holding them indefinitely without creating anything on the website, and attempts to auction them off years later, then the original purchase was made in bad faith.<sup>112</sup> Someone like LeCelle never intended to make a political statement or open a forum for discussion on the validity of Hillary Clinton as a politician; she simply intended to profit.

Generally speaking, people can create a domain name using someone else's name, or a name strikingly similar thereto, as long as they are not profiting from the website.<sup>113</sup> Much like the owners of "JebBushforPresident.com," those that create websites in an attempt to address an opposing view can use any domain name they choose so long as they are not attempting to profit from it. But what about someone who purchases a domain name and then creates an arbitrary or

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107. *Supra* note 2.

108. *Id.*

109. *Id.*

110. *Wang*, *supra* note 1.

111. *Van Valkenburgh v. Lutz*, 106 N.E.2d 28, 29 (N.Y. 1952).

112. 15 U.S.C. § 1125(d)(1)(B)(i)(III).

113. *Lamparello v. Falwell*, 420 F.3d 309, 312 (4th Cir. 2005).



meaningless website? Was the website creation done in good faith?

For this reason, the courts should look for bad faith in the initial registration of the domain name. Consider the website “ElectBernie.com” discussed earlier. The owners of “ElectBernie.com” stated in their “About” page that someday they would need to find a reason why they chose their particular domain name.<sup>114</sup> Presumably, the owners are not named “Bernie” and they are not running for political office. Moreover, if they truly wanted to create a website about traffic safety, there are likely far more applicable domain names that the owners could have chosen.

If Bernie Sanders decided to run for President again or if he just needed a new website for a subsequent senatorial run, it is possible that this website could be the subject of litigation. Interpreting the registration under property law, the court should take a wait-and-see approach. If the current owners continue to use the website for traffic safety and do not attempt to sell anything or disparage Bernie Sander’s name, it is likely that Sanders would have no claim against them.

Imagine, however, that the owners decided to sell “ElectBernie.com” to a political opponent’s campaign for thousands, or even millions, of dollars. They would transfer the domain name and receive payment for the sale, and the Sanders’ campaign may decide to sue. Under a contract interpretation, the courts would look at whether the second registration, or the transfer registration, was done in bad faith. It is likely that the court would decide that it was, in fact, done in bad faith, and Sanders could get the domain.

Conversely, consider the same circumstances in light of traditional property law. The courts would look to see if the original registration was done in bad faith. In this instance, the court would consider the name of the domain owners,<sup>115</sup> the prior use of the domain name and the goods and services offered,<sup>116</sup> the intent to divert customers,<sup>117</sup> and the later offer to sell the domain name.<sup>118</sup> Given these factors and consideration, it is not hard to imagine that the owners bought “ElectBernie.com” with the intent of eventually profiting from it, rather than informing the public about traffic safety issues.

However, if the owners of “ElectBernie.com” continued to operate a traffic safety website and later wanted to transfer it to another company they owned, re-register it generally, update their billing information, or even transfer it to a friend who enthusiastically supported traffic safety,

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114. *Supra* note 13.

115. 15 U.S.C. § 1125(d)(1)(B)(i)(I) (2012).

116. 15 U.S.C. § 1125(d)(1)(B)(i)(III) (2012).

117. 15 U.S.C. § 1125(d)(1)(B)(i)(V) (2012).

118. 15 U.S.C. § 1125(d)(1)(B)(i)(VI) (2012).

they would be protected. So long as the owners of the website are not attempting to profit from Bernie Sanders' name, they would be protected and allowed to continue their oddly-named traffic safety website.<sup>119</sup>

To streamline future litigation, the courts should look at the actions of the parties and what makes the most sense in light of those actions. If a person buys a domain name that is unrelated to any subsequent use and they eventually use it in an attempt to profit, the courts have substantial leeway to decide whether or not the registration was made in bad faith. In fact, the courts can even look outside the nine bad faith guidelines to determine the intent of the parties at the time of registration.<sup>120</sup>

Congress gave the courts considerable power to interpret the intent of a party that buys a domain name. Although the inquiry may be more difficult, it is far better that the courts make these determinations on a case-by-case basis, rather than opening registrants to the possibility of litigation each time they re-register their domain name.

### C. Looking for Original "Bad Faith"

When drafting the ACPA, Congress designated nine non-exhaustive factors for courts to consider when determining if a person has "bad faith" in their registration of a domain name.<sup>121</sup> Additionally, Congress gave the courts leeway to determine if a the registrant had reason to believe that the their registration was in good faith.<sup>122</sup> When applying these nine factors, Congress did not give any guidance as to which factors may weigh more heavily or if a party has to "win" a certain number of these factors in order to prove bad faith.<sup>123</sup> In other words, the courts can, at their discretion, weigh these factors in light of the facts and circumstances of the particular case.<sup>124</sup>

It is in this area where both the *Schmidheiny* and *Jysk* courts erred because both courts elected to jump straight into an analysis of whether a "re-registration" falls within the purview of a "registration."<sup>125</sup> Instead, these courts should have first determined if there was initial bad faith in registration of the domain names.

In *Schmidheiny*, the court made two mistakes: (1) they assumed that the ACPA did not retroactively apply to domain names created before

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119. See generally *Falwell*, 420 F.3d.

120. *Sporty's Farm LLC v. Sportsman's Market Inc.*, 202 F.3d 489, 498 (2d Cir. 2000).

121. 15 U.S.C. § 1125(d)(1)(B)(ii) (2012).

122. *Id.*

123. See *Falwell*, 420 F.3d at 319-20.

124. *Id.*

125. *GoPets*, 657 F.3d at 1030; *Jysk*, 810 F.3d at 774.

the passing of the ACPA;<sup>126</sup> and (2) they did not look for bad faith in the original registration of the domain name.<sup>127</sup>

The *Schmidheiny* court, without discussion, assumed that domain registrations made before the passing of the ACPA did not apply retroactively.<sup>128</sup> This very issue was addressed earlier in the Second Circuit case, *Sporty's Farm L.L.C. v. Sportsman's Mkt. Inc.*<sup>129</sup> There, the Second Circuit had to decide if the ACPA, which had not been enacted at the time of the district court's decision, should apply.<sup>130</sup> After holding a hearing on that issue, the Second Circuit stated, "We think that it is clear that the new law was adopted specifically to provide courts with a preferable alternative to stretching federal dilution law when dealing with cybersquatting cases."<sup>131</sup> In other words, the Second Circuit decided to apply the ACPA retroactively whereas the Third Circuit chose not to without any discussion.

Had the *Schmidheiny* court chosen to apply the ACPA retroactively, their analysis might have been entirely different. In this instance, the *Schmidheiny* court could have determined whether the original registration was made in bad faith and, thus, violated the ACPA. From the facts of the case, Weber most likely intended to use "Schmidheiny.com" to profit from Mr. Schmidheiny because Schmidheiny is such a unique name. Furthermore, Weber never had any particular problem with or peculiar support of Schmidheiny that would lead him to create a website on Schmidheiny's behalf.<sup>132</sup> Instead, Weber bought the domain name with the likely intent to profit off of Schmidheiny. Because Schmidheiny sued Weber to obtain the rights to the domain name, it is unclear what Weber might have done with the domain name had Schmidheiny refused to pay the requested amount; it is also possible that Weber intended to use the domain name to harm Schmidheiny in some way.

Even so, the *Schmidheiny* court's analysis of the bad faith requirement would not change at all. As long as Schmidheiny could show that Weber had initial bad faith, there would be no reason not to find for Schmidheiny under a property law analysis. Instead, however, the court chose not to address that particular issue; they chose to focus solely on the re-registration of the domain name.<sup>133</sup>

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126. *Schmidheiny*, 319 F.3d at 582.

127. *Id.*

128. *Id.*

129. *Sporty's Farms*, 202 F.3d at 497.

130. *Id.*

131. *Id.*

132. *Id.*

133. *Id.*

Similarly, the *Jysk* court chose not to look for an original bad faith registration and instead focused on the re-registration of the domain name. In *Jysk*, the defendant, Dutta-Roy, was instructed to register the domain name in Jysk's name, an order that he apparently ignored.<sup>134</sup> During the time that the domain was active, Dutta-Roy neither used it nor had any real interest in it.<sup>135</sup> Jysk used the domain for his business and had an interest in maintaining the website for his business purposes.<sup>136</sup>

The *Jysk* court does not address whether the original registration was made in bad faith. However, had they analyzed it, the argument could be made that Dutta-Roy's refusal to register the domain in Jysk's name was done in bad faith. This argument is further supported after considering subheadings III, IV, and VI in the bad faith section of the ACPA.<sup>137</sup>

Subheading III states, "the person's prior use, if any, of the domain name in connection with a bona fide offering of any goods or services."<sup>138</sup> Here, the only goods or services Dutta-Roy offered was to create the website and register the domain name.<sup>139</sup> Essentially, he was hired to build something for Jysk and then turn it over to Jysk. Just because Dutta-Roy created and registered the website does not mean he should have any rights to it once it had been turned over to Jysk. Like a carpenter who creates the furniture that Jysk sells and who has no rights to it once he has been paid, Dutta-Roy forfeited his property rights to the domain name at the time he should have turned it over. Moreover, Dutta-Roy never used the website for commercial purposes.<sup>140</sup> He simply held onto the domain name in an attempt to profit off of Jysk's business when the domain name registration expired.<sup>141</sup>

Subheading IV states, "The person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name."<sup>142</sup> Much like the analysis of subheading III above, Dutta-Roy did not use the website for any purpose at all.<sup>143</sup> Dutta-Roy's only access to the domain name was to create a website for Jysk that Jysk would then use in his

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134. *Jysk*, 810 F.3d at 771-772.

135. *Id.* at 772.

136. *Id.*

137. 15 U.S.C. § 1125(d)(1)(B)(i) (2012).

138. 15 U.S.C. § 1125(d)(1)(B)(i)(III) (2012).

139. *Jysk*, 810 F.3d at 771.

140. *See Victoria's Secret Stores v. Artco Equip. Co.* 194 F.Supp.2d 704 at 722, (S.D. Ohio 2002) (holding that bad faith is found under 15 U.S.C. § 1125(d)(1)(B)(i)(III) when a registrant holds the domain name of a well-known website and does not offer goods and services of his own).

141. *Jysk*, 810 F.3d at 772.

142. 15 U.S.C. § 1125(d)(1)(B)(i)(IV) (2012).

143. *See generally, Jysk*, 810 F.3d.

business.<sup>144</sup> At no time did Dutta-Roy ever attempt to use the website to promote or inform the public or for any other non-commercial use.<sup>145</sup>

Finally, subheading VI states:

[T]he person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct . . .<sup>146</sup>

Here, Dutta-Roy offered to sell Jysk a website that would have belonged to Jysk had the original deal been properly executed.<sup>147</sup> At no point was Dutta-Roy using the website for his own commercial gain.<sup>148</sup> In fact, Jysk was the only party using the domain name for commercial gain at all.<sup>149</sup>

Had the *Jysk* court chosen to analyze the issue in the light of property law, they would have reached the same conclusion while still protecting the property rights of other litigants. Congress gave the courts significant discretion in deciding whether or not bad faith exists. Moreover, the list for bad faith is not exhaustive.<sup>150</sup>

## V. CONCLUSION

Possibly the most interesting aspect of *Schmidheiny*, *GoPets*, and *Jysk* is that each court arrived at what most casual observers would consider to be the "right" conclusion. All three decisions aligned with the purpose of enacting the ACPA. In some regards, it should be considered a positive that the courts were able to reach an equitable decision. The *Schmidheiny* and *Jysk* courts, however, while "correct," were correct for the wrong reasons.

When the courts in *Schmidheiny* and *Jysk* chose to interpret the ACPA in the light of contract law, they neglected to consider the implications these decisions would have on registrants holding a domain name in good faith. In effect, these courts deprived registrants of the intellectual property rights that they might have held in their domain names. Under this interpretation of the ACPA, registrants cannot re-

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144. *Id.* at 772.

145. See generally, *Jysk*, 810 F.3d.

146. *Id.* 15 U.S.C. § 1225(d)(1)(B)(i)(VI) (2012).

147. *Jysk*, 810 F.3d at 780.

148. See *Id.*, generally .

149. *Id.*

150. *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 268-269 (4th Cir. 2001).

register their domain names without fear of predatory litigation, and re-registration could be a transfer to another party, an update of billing information, or a simple re-registration of a soon-to-expire domain name. Given the breadth of possible interpretations and the subsequent problems, a property law interpretation is superior.

If the ACPA is interpreted in the light of property law, as it was in the *GoPets* case, the rights of registrants, business owners, trademark owners, and personal names can all be protected. Congress gave the courts nine non-exhaustive factors to consider when determining if a registration was made in bad faith. Therefore, the courts should use that power to determine if there is bad faith at the original registration. If the courts can determine, by a preponderance of evidence, that there was bad faith in the original registration of the domain name, they should find for the aggrieved party. However, if the courts cannot find bad faith in the original registration, then the registrant should retain his or her property rights in the domain name and be allowed to do whatever he or she would like with it. If that includes later selling it for a profit, keeping it to create his or her own informative website, or just holding onto the property for his or her own private enjoyment, those rights should not be infringed.

While it may have been far easier had "registration" been defined under the ACPA, Congress chose not to define it, whether intentionally or by omission. Thus, the courts should use the power conferred upon them under the ACPA to make a valid and fair judgment about whose rights suffice.