

## INFORMATION TECHNOLOGY

# Why the Fair Use Defense of Free Speech or Parody Under the Anticybersquatting Consumer Protection Act Needs Judicial Review by the United States Supreme Court

**Monique Bradley Lampke\***

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\* Monique Bradley Lampke teaches externships and skills courses at the University of Dayton School of Law. She formerly practiced civil litigation in the public and private sectors and would like to thank her research assistants, Scot Ganow and Marta Kolcz-Ryan, and fellow lawyers Traci McGuire, Karen Hammond, and Matt Lampke for their helpful assistance.

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This Article suggests the time is ripe for the United States Supreme Court to interpret the fair use defense of free speech or parody under the Anticybersquatting Consumer Protection Act (ACPA). Congress enacted the ACPA in 1999 to protect consumers from “cybersquatting,” which occurs when a non-trademark holder registers domain names of trademarks and: (1) tries to sell the names back to the trademark holder for a ransom;<sup>1</sup> (2) tries to sell the names to the highest bidder;<sup>2</sup> or (3) uses the names to divert business and consumers from the trademark holder’s website to the non-trademark holder’s website to increase revenue.

Although published decisions from the circuit courts interpreting the ACPA continue to explore the marriage of trademark protection with the First Amendment’s protections of domain names and websites as free speech, conflicting criteria have emerged regarding when an alleged cybersquatter can successfully assert the fair use defense. For example, the Tenth Circuit’s standard is that it must be immediately apparent to anyone visiting a *parodic website* that it was not the trademark owner’s website. The Fourth Circuit’s criterion, however, is whether the *domain name at issue* conveys two simultaneous, yet contradictory, messages: that it *is* the original and that it is *not* the original and is instead a parody. Such inconsistent criteria have the potential to render an alleged cybersquatter victorious in one circuit, yet liable in another.

This Article’s circuit-by-circuit analysis exposes the vast inconsistencies among the circuit courts’ decisions and argues that the United States Supreme Court should, by granting certiorari, articulate the standard for the ACPA’s fair use defense based on free speech or parody.

## I. INTRODUCTION

The twenty-first century of daily, required use of technolo-

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1. See *Panavision Int’l L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998).

2. S. REP. NO. 106–140, at 5 (1999). See *DaimlerChrysler v. Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (citing *Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000)).

gy has led to the registration of endless Internet domain names to advertise, market, and sell business products and services. In 1999, Congress passed the ACPA as a legislative tool to protect consumers from cybersquatting, which occurs when a non-trademark holder registers domain names of trademarks and: (1) tries to sell the names back to the trademark holder for a ransom;<sup>3</sup> (2) tries to sell the names to the highest bidder;<sup>4</sup> or (3) uses the names to divert business and consumers from the trademark holder's website to the non-trademark holder's website to increase revenue.<sup>5</sup>

The ACPA prohibits cybersquatting.<sup>6</sup> It provides in part that “[a] person shall be liable in a civil action by the owner of a mark . . . if . . . that person (i) has a bad faith intent to profit from that mark . . . and (ii) registers, traffics in, or uses a domain name that . . . is identical or confusingly similar to that mark.”<sup>7</sup> ACPA proponents regard this provision as a helpful sword in protecting the marks of registered trademark owners who spend years and money developing the reputation and goodwill of their products or services. By contrast, critics of the ACPA view it as a significant curtailment of free speech rights, especially when a domain name or website is used to criticize or parody another individual or company.

Despite the clear prohibition in the ACPA, cybersquatting litigation has continued to occur in the federal district courts. In 2003, there were only ten published decisions from the federal appellate courts<sup>8</sup> interpreting the ACPA. These decisions have created inconsistent and conflicting criteria regarding when an alleged cybersquatter can successfully use a fair use defense of free speech or parody to avoid liability under the

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3. See *Panavision Int'l L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998).

4. S. REP. NO. 106-140, at 5 (1999). See *DaimlerChrysler v. Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (citing *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000)).

5. S. REP. NO. 106-140, at 6. The ACPA “was Congress’ response to an onslaught of e-savvy entrepreneurs who amassed domain names incorporating protected trademarks for their own exploitations via sale or use.” *Harrods Ltd. v. Sixty Internet Domain Names*, 157 F. Supp. 2d 658, 664 (E.D. Va. 2001). Cybersquatters often register domain names because they profit from increased traffic on their own websites due to advertising income or an agreement with a provider who pays them based on how many hits are received on their website.

6. 15 U.S.C. § 1125(d)(1)(A) (2006).

7. *Id.*

8. The author uses the terms “federal appellate courts” and “circuit courts” interchangeably.

ACPA.<sup>9</sup>

Section II of this Article describes the interplay between the Lanham Act, which is the broader federal trademark infringement statute, and the ACPA. This section also explains how Congress enacted the ACPA to protect consumers from cybersquatters. Section III explains the fair use defense of free speech and parody prior to and under ACPA. Section IV is a comprehensive circuit-by-circuit analysis of published decisions involving an alleged cybersquatter who has asserted a fair use defense based upon free speech or parody in an ACPA case. Section V concludes that the time is ripe for the United States Supreme Court to interpret the standard regarding when a fair use defense of free speech or parody will preclude liability under the ACPA.

## II. TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT AND THE ACPA.

### A. TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT

Congress enacted the Lanham Act in 1946 to prevent “commercial use of trademarks and tradenames likely to cause confusion as to the source of a product or service.”<sup>10</sup> However, it

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9. Sue Ann Mota, *The Anticybersquatting Consumer Protection Act: An Analysis of the Decisions from the Courts of Appeals*, 21 J. MARSHALL J. COMPUTER & INFO. L. 355, 358 (2003). These cases included: *N. Light Tech., Inc. v. N. Lights Club*, 236 F.3d 57 (1st Cir. 2001); *Sallen v. Corinthians Licenciamientos LTDA*, 273 F.3d 14 (1st Cir. 2001); *Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc.*, 202 F.3d 489 (2d Cir. 2000); *Shields v. Zuccarini*, 254 F.3d 476 (3d Cir. 2001); *Harrods*, 302 F.3d 214; *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248 (4th Cir. 2002); *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001); *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264 (4th Cir. 2001); *Bird v. Parsons*, 289 F.3d 865 (6th Cir. 2002); *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936 (9th Cir. 2002).

10. *HER v. RE/MAX First Choice*, 468 F. Supp. 2d 964, 967 (S.D. Ohio 2007). The Lanham Act, codified at 15 U.S.C. § 1125, provides in part:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

was not meant to prohibit the use of a mark to communicate an idea or express a point of view. If a person can demonstrate that her use of a mark qualifies as fair use,<sup>11</sup> such as free speech or a parody, she will not be liable under the Lanham Act.<sup>12</sup>

#### B. THE ACPA AS A CONSUMER PROTECTION TOOL TO COMBAT CYBERSQUATTING.

After the 1946 enactment of the Lanham Act, but prior to the ACPA's enactment in 1999, the Federal Trademark Dilution Act was the weapon of choice against cybersquatting.<sup>13</sup> The Internet explosion in the 1990s had prompted businesses and individuals to turn to the world wide web<sup>14</sup> to offer their products online with accompanying "information about their products in a much more detailed fashion than [could] be done through a standard advertisement."<sup>15</sup> Therefore, the need for

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(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1) (2006).

11. For example, the Lanham Act provides that the following cannot be the basis for a claim of dilution by blurring or dilution by tarnishment: "[a]ny fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with (i) advertising or promotion that permits consumers to compare goods or services; or (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner." 15 U.S.C. § 1125(C)(3)(A) (2006).

12. *HER, Inc. v. RE/MAX First Choice, LLC*, 468 F. Supp. 2d 964, 967 (S.D. Ohio 2007) (citing *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002)).

13. *See Mota, supra* note 9, at 356; *see also* Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(C) (2006); S. REP. NO. 106-140, at 7 (1999).

14. The use of "www" that appears on the left side of a domain name and precedes domain names signifies that the characters to its right are a domain name. *See* PATENT & TRADEMARK OFFICE, U.S. DEPT OF COMMERCE, EXAMINATION GUIDE NO. 2-99, MARKS COMPOSED, IN WHOLE OR IN PART, OF DOMAIN NAMES I (1999), <http://www.uspto.gov/trademarks/resources/exam/guide299.jsp> ("... the average person familiar with the Internet recognizes the format for a domain name and understands that ... 'www' [is] a part of every URL.").

15. *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000) ("For consumers to buy things or gather information on the Internet, they need an easy way to find particular companies or brand names.").

an easy-to-find domain name,<sup>16</sup> the web address that a user types in to access a particular Internet website, became a necessity.<sup>17</sup>

Companies often used their corporate name as their website (for example, Microsoft uses [www.microsoft.com](http://www.microsoft.com)) for three reasons: (1) to make consumers' searches for a website as easy as possible because uncertain customers may guess that a particular company's website can be located by correctly<sup>18</sup> typing in the company's name as a domain name;<sup>19</sup> (2) to discourage consumers from giving up on the search for a company's web-

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16. The ACPA defines a domain name as "any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet." H.R. REP. NO. 106-412, at 4 (1999). Domain names generally consist of two parts: a top level extension, such as .com or .org, and a second level extension, such as "pepsi" in [pepsi.com](http://pepsi.com). See Jian Xiao, *The First Wave of Cases Under the ACPA*, 17 BERKELEY TECH. L.J. 159, 164-65 (2002). See generally *Sporty's Farm*, 202 F.3d at 492 (stating that, as of February 2, 2000, the Internet was generally divided into six types of top-level domains: (1) .edu for educational institutions; (2) .org for nongovernmental and noncommercial organizations; (3) .gov for governmental entities; (4) .net for networks; (5) .com for commercial users; and (6) a nation-specific domain (e.g. .us for the United States)). An explanation of Internet terminology also appears at <http://www.verisign.com/nds/naming/glossary> (last visited November 25, 2009).

17. See Xiao, *supra* note 16, at 159.

18. Some cybersquatters purposely register "a common misspelling of another's trademark with the intent of diverting Internet users seeking the mark owner's website to the infringer's website." Timothy Marsh, *Shields v. Zuccarini: The Role of the Anticybersquatting Consumer Protection Act in Fighting Typosquatting*, 33 U. TOL. L. REV. 683, 683 (2002).

19. *Panavision Int'l L.P. v. Toeppen*, 141 F.3d 1316, 1327 (9th Cir. 1998) (quoting *Cardservice Int'l v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997)); see also *Beverly v. Network Solutions, Inc.*, No. C-98-0337-VRW, 1998 U.S. Dist. LEXIS 8888, at \*2 (N.D. Cal. June 12, 1998). In fact, "[o]ne of the cardinal rules for domain names is 'keep it short'[because a] shorter domain name is easier to remember." ROBERT A. BADGLEY, *DOMAIN NAME DISPUTES* § 2:09[A] (Aspen Publishers 2002). Moreover, an Internet user who does not know a company's domain name will likely use a search engine to find all the web pages on the Internet containing a particular word or phrase, such as the company's name. This search usually produces a lengthy list of websites for the user to look through to find a particular website. See *Sporty's Farm*, 202 F.3d at 493; see also H.R. REP. NO. 106-412, at 5 (1999). Thus, many "website owners have a great incentive to use any means necessary to appear prominently on many keyword searches, including filling their sites with keywords that are in no way relevant to their site's subject matter." Robert Nupp, *Concurrent Use of Trademarks on the Internet: Reconciling the Concept of Geographically Delimited Trademarks with the Reality of the Internet*, 64 OHIO ST. L. J. 617, 658 (2003) (footnote omitted).

site if they do not believe a company has a website;<sup>20</sup> and (3) to improve consumer recognition and goodwill by alerting consumers as to which company owns a particular website.<sup>21</sup>

When the ACPA<sup>22</sup> amended the Lanham Act in 1999, it generally provided that “a trademark owner asserting a claim under the ACPA must establish the following: (1) it has a valid trademark entitled to protection; (2) its mark is distinctive or famous; (3) the defendant’s domain name is identical or confusingly similar to,<sup>23</sup> or in the case of famous marks, dilutive of, the owner’s mark; (4) the defendant used, registered, or trafficked in the domain name; (5) with a bad faith intent to profit.”<sup>24</sup> The ACPA was intended to protect consumers unknowingly diverted to a cybersquatter’s website, so that they are not confused as to the true source or sponsorship of goods and services on a website. It also aimed to protect the value of business brand names and trademarks by preventing the loss of revenue<sup>25</sup> and consumer confidence when consumers are diverted to

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20. *Panavision Int’l*, 141 F.3d at 1327 (quoting *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 306–07 (D.N.J. 1998)).

21. *Id.* at 1327 n.8 (citing *Cardservice Int’l*, 950 F. Supp. at 741). After all, “[t]he property interest in a mark that trademark law seeks to protect is consumer recognition—preferably favorable recognition (i.e., goodwill).” Nupp, *supra* note 19, at 618; *see, e.g.*, J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 2:30 (4th ed. 2000).

22. 15 U.S.C. § 1125(d)(1)(A) (2006).

23. Courts typically analyze the second level extension domain, such as “cocacola” in “cocacola.com” when analyzing whether that domain name is “identical or confusingly similar to a given mark” for ACPA purposes. *Virtual Works, Inc. v. Volkswagen of Am. Inc.*, 238 F.3d 264, 270 (4th Cir. 2001).

24. *DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (citing *Ford Motor Co. v. Catalonette*, 342 F.3d 543, 546 (6th Cir. 2003)).

25. S. REP. NO. 106–140, at 6 (1999). The House of Representatives also explained that:

Cyberpiracy can hurt businesses in a number of ways. First, a cyberpirate’s expropriation of a mark as part of a domain name prevents the trademark owner from using the mark as part of its domain name. As a result, consumers seeking a trademark owner’s Web site are diverted elsewhere, which means lost business opportunities for the trademark owner. A cyberpirate’s use may also blur the distinctive quality of a mark and, when linked to certain types of Internet activities such as pornography, may also tarnish the mark. Finally, businesses are required to police and enforce their trademark rights by preventing unauthorized use, or risk losing those rights entirely.

H.R. REP. NO. 106-412 (1999); *see also Virtual Works*, 238 F.3d at 267 (citing *Sporty’s Farm, L.L.C. v. Sportsman’s Mkt. Inc.*, 202 F.3d 489, 493 (2d Cir. 2000)) (“Cybersquatting is profitable because while it is inexpensive for a cybersquatter to register the mark of an established company as a domain name, such companies are often vulnerable to being forced into paying substantial

a cybersquatter's website.<sup>26</sup> However, the ACPA was not meant to "give companies the right to fence off every possible combination of letters that bears any similarity to a protected mark ... ." <sup>27</sup>

### III. THE FAIR USE DEFENSE OF FREE SPEECH OR PARODY PRIOR TO THE ACPA.

To hold a cybersquatter liable under the ACPA, a court must determine that a domain name holder had a bad faith intent to profit from the mark.<sup>28</sup> The ACPA lists nine, nonexhaustive factors<sup>29</sup> to assist courts in their determination of whether a bad faith intent to profit existed.<sup>30</sup> The fourth bad

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sums to get their names back.").

26. Cybersquatters often damage marks by putting harmful material, such as pornography, on a website to increase the probability that they will get a hefty ransom from the mark owner who does not want its mark damaged. When the Senate was contemplating the ACPA, they were informed about a child who accidentally typed in *www.dosney.com*, instead of *www.disney.com*, on the Internet and pulled up a pornography website. See H.R. REP. NO. 106-412 at 5 (explaining the purpose and providing a summary of the Act).

27. See *Virtual Works*, 238 F.3d at 271; see also *Audi AG v. D'Amato*, 469 F.3d 534, 543 (6th Cir. 2006) (finding that *Telescan's* domain names, such as *www.peterbiltnewstruck.com* had the same appearance as *PACCAR's* domain name *www.peterbilt.com* despite the addition of characters to the domain name because the added characters did not "eliminate the likelihood of confusion for ACPA purposes") (quoting *PACCAR Inc. v. TeleScan Techs. L.L.C.*, 319 F.3d 243, 252 (6th Cir.2003) *overruled in part by* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004)). The court also noted that the ACPA was meant to "prevent the expropriation of protected marks in cyberspace and to abate the consumer confusion resulting therefrom." *Virtual Works*, 238 F.3d at 271.

28. At least one circuit court has determined that the standard for proving "bad faith" is by a preponderance of the evidence. *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 225 (4th Cir. 2002). The Fourth Circuit reasoned that "[b]ecause Congress spelled out the bad faith factors so thoroughly, we expect that Congress would have explicitly imposed a heightened burden of proof had it intended for one to apply." *Id.* at 227.

29. The ACPA provides nine factors that may be considered in determining whether a cybersquatter has a "bad faith intent to profit" from a mark. 15 U.S.C. § 1125(d)(1)(B)(i) (2006).

30. These nine "factors are given to courts as a guide, not as a substitute for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit." *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 811 (6th Cir. 2004); see also *Harrods*, 302 F.3d at 234 ("[T]here is no simple formula for evaluating and weighing these factors . . . courts do not simply count up which party has more factors in its favor after the evidence is in.").



faith factor, known as the “fair use defense,” provides that the domain name holder’s “bona fide noncommercial or fair use of the mark in a site accessible under the domain name” be considered by a court.<sup>31</sup> The fair use defense was enacted to protect permissible First Amendment speech, such as comparative advertising, comment, criticism, parody, and news reporting.<sup>32</sup>

The fair use defense also has a second basis in the ACPA’s safe harbor exception, which provides that a bad faith intent to profit “shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.”<sup>33</sup> Thus, if an accused cybersquatter asserts the fair use defense, a court must consider such defense twice in its judicial analysis: first, under the fair use defense governing whether he or she had a bad faith intent to profit from the mark and second, under the ACPA’s safe harbor exception.<sup>34</sup>

Long before Congress enacted the ACPA into law, parodies were recognized as “a form of artistic expression, protected by

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31. Regarding the Federal Trademark Dilution Act, “noncommercial use” refers to a use that consists entirely of noncommercial, or fully constitutionally protected, speech.” *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002); see H.R. REP. NO. 106–412, at 11 (1999). The House of Representatives, in enacting the ACPA, further explained that “the use of a domain name for purposes of comparative advertising, comment, criticism, parody, news reporting, etc., even where done for profit, would not alone satisfy the bad-faith intent requirement . . . . This factor is not intended to create a loophole that otherwise might swallow the bill, however, by allowing a domain name registrant to evade application of the Act by merely putting up a noninfringing site under an infringing domain name.” *Id.*

32. Some have argued that the ACPA itself violates the First Amendment. See *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 277 (5th Cir. 2002). In *E. & J. Gallo, Spider Webs* argued on appeal that the ACPA was unconstitutional because it violated the First Amendment, but since it failed to raise this issue before the trial court, the Fifth Circuit determined that the issue had been waived. *Id.* at 277, n. 4. Other courts have addressed the competing interests of the First Amendment and the ACPA. See *Lamparello v. Falwell*, 420 F.3d 309, 313 (4th Cir. 2005) (“Congress left little doubt that it did not intend for trademark laws to impinge the First Amendment rights of critics and commentators.”); see also *Harrods Ltd. v. Sixty Internet Domain Names*, 157 F. Supp. 2d 658, 673 (E.D. Va. 2001) (“To ensure that speech protected by the First Amendment is not jeopardized by the ACPA, a court should consider a registrant’s legitimate noncommercial or fair use of the mark in a website that is accessible under the domain name at issue” (citing 15 U.S.C.A. § 1125(d)(B)(i)(IV) (West Supp. 2000)).

33. 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

34. 15 U.S.C. § 1125(d)(1)(B)(i)-(ii) (2006).

the First Amendment,” that deserved considerable freedom<sup>35</sup> but can depend on a lack of confusion to be effective.<sup>36</sup> A good trademark parody creates “little likelihood of confusion, since the humor lies in the difference between the original and the parody.”<sup>37</sup> An unsuccessful parody is one that *requires a user to read a website’s content* before the user discovers that *the domain name* was meant to be a parody.<sup>38</sup> In other words, in a trademark infringement case, courts generally consider whether a consumer would, *from the first moment*, realize that Product A was not Product B in her analysis of whether something is a parody is successful. This determines if the attempted parody falls under the umbrella of the fair use defense, which circumvents liability.<sup>39</sup>

Prior to the ACPA, parodists had historically been successful in the First, Second, and Tenth Circuits in trademark infringement actions. In *L.L. Bean v. Drake Publishing, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987), Plaintiff L.L. Bean (L.L. Bean) was a mail order catalog publisher that marketed outdoor and sports apparel<sup>40</sup> who sued Drake Publishing, Inc. (Drake) for alleged trademark infringement and dilution after Drake published a parodic catalog titled “L.L. Bean’s Sex-Catalog” that contained sexual entertainment.<sup>41</sup> Although the district court denied L.L. Bean’s request for a temporary restraining order, it issued an injunction and subsequently granted summary judg-

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35. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490, 493 (2d Cir. 1989) (citing *Berlin v. E.C. Publ’ns, Inc.*, 329 F.2d 541, 545 (2d Cir. 1964)). Congress envisioned that the ACPA would balance the interests of trademark owners with the interests of domain name registrants engaged in traditional free speech such as criticism, comment, and news reporting. S. REP. NO. 106–140, at 10.

36. *Hormel Foods Corp. v. Jim Henson Prod., Inc.*, 73 F.3d 497, 503 (2d Cir. 1996).

37. *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 970 (10th Cir. 1996); *see also OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 191 (W.D.N.Y. 2000).

38. *Morrison & Foerster LLP v. Wick*, 94 F. Supp. 2d 1125, 1134–35 (D. Colo. 2000).

39. *Cliffs Notes*, 886 F.2d at 496–97. After all, the Lanham Act did not require that “the cover of a parody carry a disclaimer that it is not produced by the subject of the parody.” *Id.* at 496.

40. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 27–34 (1st Cir. 1987) (“L.L. Bean II”).

41. *See id.* at 27. L.L. Bean also sued Drake for unfair competition, deceptive trade practices, interference with prospective business advantage, and trade libel. *Id.*

ment in L.L. Bean's favor on the trademark dilution claim.<sup>42</sup> The district court found that: (1) Drake's parodic catalog had undermined L.L. Bean's trademark's goodwill and reputation such that it tarnished the marks; and (2) the publication of Drake's catalog had harmed L.L. Bean.<sup>43</sup> While Drake argued that its catalog was a parody, the district court disagreed, finding that a "parody *per se* is not protected from [an] injunction under the antidilution statute."<sup>44</sup> Therefore, the district court issued an injunction prohibiting future publication or distribution of the L.L. Bean Sex Catalog.<sup>45</sup>

On appeal, the First Circuit analyzed whether enjoining Drake's parodic catalog violated the First Amendment<sup>46</sup> and found that:

[Drake's] parody constitutes an editorial or artistic, rather than a commercial, use of [L.L. Bean's] mark. The article was labeled as "humor" and "parody" in the magazine's table of contents section; it took up two pages in a one-hundred-page issue; neither the article nor appellant's trademark was featured on the front or back cover of the magazine. Drake did not use [L.L.] Bean's mark to identify or promote goods or services to consumers; it never intended to market the "products" displayed in the parody.<sup>47</sup>

Therefore, the First Circuit reversed the injunction and summary judgment award against Drake, because "[d]enying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression."<sup>48</sup>

A few months later, in *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, the Tenth Circuit upheld the district court's judgment in favor of Defendants who made "Lardashe" jeans featuring a pig head logo for larger women. Plaintiff, a maker of "Jordache" jeans featuring a horse head, argued that the "Lardashe" jeans closely resembled its own and sued Defendants for allegedly violating the Lanham Act.<sup>49</sup> The district

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42. See *id.* L.L. Bean's trademark dilution claim was asserted under Maine law. ME. REV. STAT. ANN. tit. 10, § 1530 (1981). *Id.*; see also L.L. Bean v. Drake Publishers, 625 F. Supp. 1531 (D. Me. 1986) *rev'd* 811 F.2d 26 (1st Cir. 1987) ("L.L. Bean I").

43. L.L. Bean, Inc. v. Drake Pub., Inc., 625 F. Supp. 1531 (D. Me. 1986).

44. L.L. Bean I at 1536 (emphasis in original).

45. *Id.* at 1539.

46. L.L. Bean II at 28.

47. L.L. Bean II at 32.

48. L.L. Bean II at 34.

49. *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir.

court entered judgment for Defendants because there was “no likelihood of confusion between the Jordache trademark and the Lardashe trademark” and Defendant’s “intent was to employ a name that, to some extent, *parodied* or played upon the established trademark Jordache.”<sup>50</sup>

On appeal, the Tenth Circuit affirmed the district court’s judgment in favor of Defendants while enunciating the criteria for a successful parody to preclude liability under the Lanham Act:

[A] parody is an attempt ‘to derive benefit from the reputation’ of the owner of the mark . . . if only because no parody could be made without the initial mark. The benefit to the one making the parody, however, arises from the humorous association, not from public confusion as to the source of the marks. A parody relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect.<sup>51</sup>

The Second Circuit subsequently held that a parody that causes only a “slight” risk of confusion is also protected by free speech and will not form the basis for a Lanham Act violation.<sup>52</sup> In *Cliffs Notes v. Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 492–93 (2d Cir. 1989), Plaintiff Cliffs Notes (Cliffs Notes), a publisher of condensed study guides, sought an injunction and other relief against Defendant Bantam Doubleday Dell Publishing Group, Inc. (Bantam) after Bantam distributed a paperback titled “Spy Notes” which was a parody of, and satirized, the Cliffs Notes study guides.<sup>53</sup> Cliffs Notes argued that Bantam’s actions violated the Lanham Act.<sup>54</sup> The district court granted a preliminary injunction against Bantam, finding that since there existed “a profound likelihood of confu-

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1987). Jordache also sued Defendants under the New Mexico Trademark Act, N.M. STAT. ANN. §§ 57-3-1 to 57-3-14 (1987) and common law. *Jordache*, 828 F.2d at 1484. Their Lanham Act claims were based on 15 U.S.C. §§ 1051–1127. *Id.* at 1484.

50. *Id.* at 1483, 1485 (emphasis added). The court also noted that the standard under the Lanham Act, 15 U.S.C. § 1114(1)(a) was whether the unauthorized use of a reproduction, copy, or imitation of a registered trademark was “likely to cause confusion” with the registered trademark. *Id.* at 1484.

51. *Id.* at 1486 (quoting *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 431 (5th Cir. 1984)).

52. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group*, 886 F. 2d 490 (2d Cir. 1989).

53. *Id.* at 491–92.

54. Cliffs Notes also asserted that Bantam violated the New York common law of unfair competition and § 368-d of the New York General Business Law. *Id.* at 493.

sion” between the covers of Spy Notes and Cliffs Notes, Cliffs Notes had met its burden to show an irreparable injury and a likelihood of success on the merits.<sup>55</sup> Therefore, the district court enjoined Bantam from continuing to distribute Spy Notes with the offending cover at issue.<sup>56</sup>

On appeal the Second Circuit Court vacated the district court’s injunction because the:

[P]arody cover of Spy Notes, although it surely conjures up the original and goes to great lengths to use some of the identical colors and aspects of the cover design of Cliffs Notes, raises *only a slight risk of consumer confusion* that is outweighed by the public interest in free expression, especially in a form of expression that must to some extent resemble the original.<sup>57</sup>

Before the ACPA became law in 1999, parodists had also argued that their use of parodies could not subject them to liability because such use was noncommercial.<sup>58</sup> In *Planned Parenthood Federation of America v. Bucci*, Plaintiff Planned Parenthood Federation of America, Inc. (Planned Parenthood) sued Defendant, Richard Bucci (Bucci) for alleged Lanham Act violations. Planned Parenthood, a reproductive health care organization that operated a website at [www.ppfa.org](http://www.ppfa.org) to educate users about resources, sexual health, and abortion, sought an injunction against Bucci.<sup>59</sup> Bucci was the host of “Catholic Radio” and an anti-abortion activist who registered the [www.plannedparenthood.com](http://www.plannedparenthood.com) domain name.<sup>60</sup> Bucci created a website at that domain name which contained anti-abortion sentiments and links to communicate with an anti-abortion author.<sup>61</sup> While Bucci admitted he wanted to attract Internet users who were looking for Planned Parenthood’s website,<sup>62</sup> he

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55. *Id.*

56. *Id.*

57. *Id.* at 497 (emphasis added). At least one circuit court has noted that certain domain names themselves may constitute protected speech. *See Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 586 (2d Cir. 2000) (concluding that “while we hold that the existing gTLDs [generic top level domains] do not constitute protected speech under the First Amendment, we do not preclude the possibility that certain domain names . . . could indeed amount to protected speech.”).

58. *See, e.g., Planned Parenthood Fed’n of Am., v. Bucci*, No. 97 Civ. 0629, 1997 U.S. Dist. LEXIS 3338 (S.D.N.Y. Mar. 19, 1997), *aff’d*, No. 97-7492, 1998 U.S. App. LEXIS 22179 (2d Cir. Feb. 9, 1998).

59. *Id.* at \*1–2.

60. *Id.* at \*3.

61. *Id.* at \*3–5.

62. *Id.* at \*1–2.

argued that his actions fell outside the purview of the Lanham Act because his actions constituted noncommercial speech.<sup>63</sup> The District Court for the Southern District of New York disagreed, noting that:

[Bucci's] use is commercial because of its effect on [Planned Parenthood's] activities. First, [Bucci] has appropriated [Planned Parenthood's] mark in order to reach an audience of Internet users who want to reach [Planned Parenthood's] services and viewpoint, intercepting them and misleading them in an attempt to offer his own political message. Second, [Bucci's] appropriation not only provides Internet users with competing and directly opposing information, but also prevents those users from reaching [Planned Parenthood] and its services and message. In that way, [Bucci's] use is classically competitive: he has taken [Planned Parenthood's] mark as his own in order to purvey his Internet services—his web site—to an audience intending to access [Planned Parenthood's] services.<sup>64</sup>

The district court also found that Bucci's homepage using Planned Parenthood's mark as its address "convey[ed] the impression to Internet users that [Planned Parenthood] is the sponsor of [Bucci's] web site" and thus, issued an injunction against him.<sup>65</sup> In a concise, non-substantive opinion, the Second Circuit affirmed the district court's judgment.<sup>66</sup>

#### IV. ANALYSIS OF CIRCUIT COURT DECISIONS REGARDING WHEN THE FAIR USE DEFENSE OF FREE SPEECH OR PARODY CAN PRECLUDE LIABILITY UNDER THE ACPA.

After the ACPA's inception, accused cybersquatters began to assert that their use of domain names and corresponding websites in a parodic or commentary manner fell under the

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63. *Id.* at \*10.

64. *Id.* at \*6.

65. *Id.* The district court also disagreed with Bucci's reliance on *Panavision International, L.P. v. Toepfen*, 945 F. Supp. 1296 (C.D. Cal. 1996), "for the proposition that registering a domain name is not a commercial use within the meaning of the anti-dilution provision of the Lanham Act." *Planned Parenthood*, 1997 U.S. Dist. LEXIS at \*21. The district court observed that the *Panavision* court noted that the "exception for noncommercial use of a famous mark is intended to prevent courts from enjoining constitutionally-protected speech." *Id.* at \*21 (quoting *Panavision*, 945 F. Supp. at 1303). However, the district court stated that whether Bucci's use of the mark was commercial within the meaning of the Lanham Act was a distinct question from whether Bucci's use of the mark was protected by the First Amendment and that its conclusion only decided the second question. *Id.* at \*21-22.

66. *Planned Parenthood*, 1998 U.S. App. LEXIS 22179.

ACPA's fair use defense and safe harbor exceptions. The federal appellate courts were soon faced with cases involving claims by alleged cybersquatters that their actions constituted a fair use which precluded a finding of liability, forcing the courts to begin articulating the standards for a successful fair use defense in dispute over domain names.<sup>67</sup>

#### A. FIRST CIRCUIT

In *Northern Light Technology, Inc. v. Northern Lights Club*, Plaintiff, Northern Light Technology, sued Defendants, Northern Lights Club, Jeff Bugar, and 641271 Alberta Ltd., for alleged ACPA violations.<sup>68</sup> Plaintiff had registered "Northern Light" as a trademark in 1996 and owned and used the domain name, [www.northernlight.com](http://www.northernlight.com).<sup>69</sup> Defendant Jeff Bugar's business included "register[ing] thousands of 'catchy' domain names—i.e., Internet addresses appropriating, in identical or slightly modified form, the names of popular people and organizations."<sup>70</sup> Bugar was also the President of Defendant Northern Lights Club, a member-less association whose mission was to "bring together devotees of the Northern Lights."<sup>71</sup> Defendants registered the [www.northernlights.com](http://www.northernlights.com) domain name and offered email accounts (such as [John.Doe@northernlights.com](mailto:John.Doe@northernlights.com)), although originally, users who tried to locate the domain name on the Internet found no such website.<sup>72</sup> Several years later, Defendants established a substantive website at [www.northernlights.com](http://www.northernlights.com), featuring a site-search function with links to Northern Lights Community members and to Plaintiff's [www.northernlight.com](http://www.northernlight.com) website.<sup>73</sup>

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67. For brevity purposes, this Article references only the published decisions from the federal appellate courts where the court spent a significant portion of its opinion analyzing the fair use defense or the First Amendment in an ACPA case.

68. *N. Light Tech., Inc. v. N. Lights Club*, 236 F.3d 57, 59–60 (1st Cir. 2001). Plaintiff originally sued Defendants for alleged violations of unfair competition, trademark infringement, and trademark dilution. *Id.* at 59–60. Plaintiff subsequently amended its complaint to include an ACPA claim but dropped its federal and state trademark dilution claims and a state law claim of unfair competition. *Id.* at 60.

69. *Id.* at 58.

70. *Id.* at 59.

71. *Id.*

72. *Id.*

73. *Id.* The court also noted that Plaintiff had not acquiesced to its website being listed on Defendants' website. *Id.*

The district court determined that Plaintiff was likely to succeed on its ACPA claim because Plaintiff's domain name and Defendants' domain name were confusingly similar and there was evidence that Defendants had the requisite bad faith intent to profit from their use of Plaintiff's mark.<sup>74</sup> Therefore, the court issued a preliminary injunction, requiring Defendants to post a disclaimer on its [www.northernlights.com](http://www.northernlights.com) website.<sup>75</sup>

Defendants filed an interlocutory appeal, arguing in part that (1) the district court had erred in determining that Plaintiff was likely to succeed on the merits of its claims; and (2) the preliminary injunction violated their First Amendment rights to free speech.<sup>76</sup> Defendants denied that they had a bad faith intent to profit, arguing that their conduct fell within the ACPA's "safe harbor" exception as they had "believed and had reasonable grounds to believe that the use of the [[www.northernlights.com](http://www.northernlights.com)] domain name was a fair use or otherwise lawful."<sup>77</sup>

The First Circuit disagreed, finding that Defendants' "well-established pattern of registering multiple domain names containing famous trademarks, such as [rollingstones.com](http://rollingstones.com), [evnrude.com](http://evnrude.com), and [givenchy.com](http://givenchy.com), has been made highly relevant to the determination of bad faith."<sup>78</sup> Thus, it determined that the district court properly found that Defendants had acted in bad faith.<sup>79</sup> Regarding Defendants' First Amendment argument, the First Circuit declined to address that issue on appeal because "[D]efendants only obliquely pressed their First Amendment argument before the district court."<sup>80</sup> Therefore, the First Circuit affirmed the preliminary injunction against Defendants.<sup>81</sup>

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74. *Id.* at 61 (citing *N. Light Tech., Inc. v. N. Lights Club*, 97 F. Supp. 2d 96, 115–120 (D. Mass. 2000)).

75. *Id.* at 58.

76. *Id.*

77. *Id.* at 64 (quoting 15 U.S.C. § 1125(d)(1)(B)(ii)).

78. *Id.* at 65.

79. *Id.*

80. *Id.* at 58. The court did not find that Defendants' First Amendment argument was waived on appeal; rather, it expressly stated that such argument could be made in the district court when a trial on the merits was held. *Id.* at 66.

81. *Id.* at 58, 65.



## B. THIRD CIRCUIT

In *Shields v. Zuccarini*, the Third Circuit affirmed the district court's award of summary judgment in favor of Plaintiff and trademark owner Joseph Shields (Shields) and against alleged cybersquatter, Defendant John Zuccarini (Zuccarini).<sup>82</sup> Shields, a graphic artist who created cartoons using the name "Joe Cartoon," registered the [www.joecartoon.com](http://www.joecartoon.com) domain name to operate a website selling his merchandise.<sup>83</sup> Zuccarini was a domain name wholesaler who registered the following five domain names: [www.joescartoon.com](http://www.joescartoon.com), [www.joecarton.com](http://www.joecarton.com), [www.joescartons.com](http://www.joescartons.com), [www.joescartoons.com](http://www.joescartoons.com), and [www.cartoonjoe.com](http://www.cartoonjoe.com).<sup>84</sup> Originally, when an Internet user would *type* in any of Zuccarini's five domain names, advertisements for other websites and credit card companies appeared.<sup>85</sup> When a user was *in* the website of these domain names, they could exit only if they clicked on a series of advertisements.<sup>86</sup> Zuccarini received money from advertisers for every click on these websites.<sup>87</sup>

Shields sued Zuccarini for alleged ACPA and unfair competition violations.<sup>88</sup> After Shields initiated his lawsuit, Zuccarini changed the content of his websites to "political protest" pages describing the litigation and criticizing [www.joecartoon.com](http://www.joecartoon.com) for "depict[ing] the mutilation and killing of animals in a cartoon format[.]"<sup>89</sup> The district court issued a preliminary injunction in Shields' favor, ordered that Zuccarini's five domain names be transferred to Shields, and required Zuccarini "to refrain from

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82. *Shields v. Zuccarini*, 254 F.3d 476, 488 (3d Cir. 2001).

83. *Id.* at 479.

84. *Id.* at 479–80.

85. *Id.*

86. *Id.* at 480.

87. *Id.*

88. *Id.*

89. *Id.* at 480. Zuccarini's political protest pages included the following statement:

joecartoon.com is a web site that depicts the mutilation and killing of animals in a shockwave based cartoon format—many children are inticed [sic] to the web site, not knowing what is really there and then encouraged to join in the mutilation and killing through use of the shockwave cartoon presented to them. . . . As the owner of this domain name, I am being sued by joecartoon.com for \$100,000 so he can use this domain to direct more kids to a web site that not only desensitizes children to killing animals, but makes it seem like great fun and games.

*Id.* (quoting *Shields v. Zuccarini*, 89 F. Supp. 2d 634, 635–36 (E.D. Pa. 2000)).

‘using or abetting the use of’ the infringing domain names or any other domain names substantially similar to Shields’ marks.”<sup>90</sup>

However, the district court denied Shields’ original motion for summary judgment, finding a genuine issue of material fact existed on the ACPA claim.<sup>91</sup> Even though Zuccarini admitted he registered variations of [www.joecartoon.com](http://www.joecartoon.com) because they were confusingly similar, he also claimed “that his use of the variations was fair and lawful, and that he is using the domain names ‘for the purpose of exercising his First Amendment rights of protest against the Plaintiff’s domain which has objectionable and offensive materials.’”<sup>92</sup> Shields subsequently filed a second motion for summary judgment, which the district court granted after finding that “Zuccarini had registered five variations of Shields’ name willfully, in bad faith, and in violation of the [ACPA].”<sup>93</sup>

On appeal, the Third Circuit noted that Shields needed to prove the following to prevail on his ACPA claim: (1) “Joe Cartoon” is a distinctive or famous mark entitled to protection;<sup>94</sup> (2) Zuccarini’s domain names are identical or confusingly similar to Shields’ mark; and (3) Zuccarini registered the domain names with the bad faith intent to profit from them.<sup>95</sup> The Third Circuit determined that Shields’ trademark, and his [www.joecartoon.com](http://www.joecartoon.com) domain name, were worthy of ACPA protection.<sup>96</sup> It also found that Zuccarini’s five domain names were confusingly similar to [www.joecartoon.com](http://www.joecartoon.com)<sup>97</sup> because Zuccarini purposely intended “to register a domain name in anticipation that consumers would make a mistake [in the spelling of the domain name], thereby increasing the number of hits his site would receive, and consequently, the number of advertising dollars he would gain.”<sup>98</sup>

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90. *Id.* at 481.

91. *Id.* at 480.

92. *Id.* at 480 n.2.

93. *Id.* at 481.

94. The court determined that Shields’ “Cartoon Joe” mark was distinctive and his [www.joecartoon.com](http://www.joecartoon.com) website was famous. *Id.* at 482–83.

95. *Id.* at 482; see 15 U.S.C. § 1125(d)(1)(A) (2006); cf. *Sporty’s Farm L.L.C. v. Sportsman’s Mkt. Inc.*, 202 F.3d 489, 497–99 (2d Cir. 2000).

96. *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. 2001).

97. *Id.*

98. *Id.* at 484. The court also found that Zuccarini’s five domain names were “confusingly similar” because of the strong similarities between these

As to the issue of whether Zuccarini acted with a bad faith intent to profit, the Third Circuit determined that Zuccarini's actions did not constitute a noncommercial or fair use because he registered these domain names to divert customers from visiting Shield's website and to harm "the goodwill associated with [Shields'] . . . mark."<sup>99</sup>

Zuccarini unsuccessfully tried to invoke the protection of the ACPA's safe harbor provision by asserting his First Amendment rights justified his "protest pages."<sup>100</sup> The Third Circuit disagreed, finding that Zuccarini's actions were a "spurious explanation cooked up purely for this suit."<sup>101</sup> The Court also noted that when Zuccarini originally registered his five domain names, he had used them for commercial purposes; he did not change them into "protest pages" until the lawsuit had been filed.<sup>102</sup> Thus, the Third Circuit affirmed the district court's summary judgment award against Zuccarini.<sup>103</sup>

### C. FOURTH CIRCUIT

In *Virtual Works, Inc. v. Volkswagen of America, Inc.*, Plaintiff Virtual Works, Inc. (Virtual Works) registered the domain name, *www.vw.net*, used it in connection with a business for two years, and then sought to sell it to the highest bidder.<sup>104</sup> Defendant Volkswagen of America (VW) became aware of Virtual Works' intentions to sell *www.vw.net* and tried to unsuccessfully enforce a dispute resolution process through Network Solutions.<sup>105</sup> Virtual Works filed an action for declara-

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five domain names and *www.joecartoon.com* based upon the "likely misspellings of famous marks or personal names." *Id.* at 483.

99. *Id.* at 485; see 15 U.S.C. § 1125(d)(1)(B)(i) (2006).

100. *Shields*, 254 F.3d at 485. The safe harbor provision of § 1125(d)(1)(B)(ii) states that "bad faith intent . . . shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

101. *Shields*, 254 F.3d at 485 (quoting *Shields v. Zuccarini*, 89 F. Supp. 2d 634, 640 (E.D. Pa. 2000)).

102. *Id.* at 485–86 (3d Cir. 2001). The court was not aware of any "authority providing that a defendant's 'fair use' of a distinctive or famous mark only after the filing of a complaint alleging infringement can absolve that defendant of liability for his earlier unlawful activities." *Id.* at 486.

103. *Id.* at 479.

104. *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 266–67 (4th Cir. 2001).

105. *Id.* Network Solutions was the "company authorized by the government [at that time] to serve as a registrar for Internet domain names." *Id.*

tory judgment against VW, and VW counterclaimed, accusing Virtual Works of cybersquatting, trademark dilution, and infringement.<sup>106</sup> Because Virtual Works had registered *www.vw.net* in 1996, before Congress enacted the ACPA, VW's only available remedy for Virtual Works' alleged ACPA violation was "to have the [*www.vw.net*] domain name transferred to the owner of the mark or canceled."<sup>107</sup>

VW moved for summary judgment on all of its counterclaims, which the district court granted after finding that "Virtual Works had a bad faith intent to profit from the *vw.net* domain name and that its use of *vw.net* diluted and infringed upon the VW mark."<sup>108</sup> The district court also ordered Virtual Works to give VW the rights to *vw.net*.<sup>109</sup>

On appeal, the Fourth Circuit agreed that the district court's finding of bad faith intent to profit by Virtual Works was supported by the evidence. Circumstantial evidence included: "1) the famousness of the VW mark; 2) the similarity of *vw.net* to the VW mark; 3) the admission that Virtual Works never once did business as VW nor identified itself as such; and 4) the availability of *vwi.org* and *vwi.net* at the time Virtual Works registered *vw.net*."<sup>110</sup> The direct evidence consisted of: 1) statements made by two Virtual Works executives regarding selling *vw.net* to Volkswagen in the future; and 2) Virtual Work's offer to Volkswagen that "*vw.net* would be sold to the highest bidder if Volkswagen did not make an offer within twenty-four hours."<sup>111</sup>

The Fourth Circuit also determined that VW's mark was famous, that Virtual Works had registered, trafficked in, and used *vw.net*, and that *vw.net* was confusingly similar to the

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106. *Id.* at 267.

107. *Id.* at 268; *see also* 15 U.S.C. § 1125(d) (2006).

108. *Virtual Works*, 238 F.3d at 267 (citing *Virtual Works, Inc. v. Network Solutions, Inc.*, 106 F. Supp. 2d 845 (E.D. Va. 2000)). The Fourth Circuit noted that two Virtual Works executives had "talked about Volkswagen and decided that [they] would use the domain name for [the] company, but if Volkswagen offered to work out a deal for services or products, that [they] would sell it to [Volkswagen] for a lot of money." *Id.* at 266.

109. *Id.* at 269.

110. *Id.*

111. *Id.* at 269–70. However, the Fourth Circuit did observe that "domain names that are abbreviations of a company's formal name are quite common. To view the use of such names as tantamount to bad faith would chill Internet entrepreneurship with the prospect of endless litigation." *Id.* at 269.

famous VW mark.<sup>112</sup> Nor could Virtual Works cloak itself with the ACPA's safe harbor provision because Virtual Works confessed its "hope of profiting from consumer confusion of *vw.net* with the VW mark."<sup>113</sup> Therefore, the Fourth Circuit affirmed the district court's finding that Virtual Works violated the ACPA.<sup>114</sup>

A few months later, the Fourth Circuit rendered its decision in *People for the Ethical Treatment of Animals v. Doughney*, Plaintiff, People for the Ethical Treatment of Animals (PETA), an animal rights organization with the website [www.peta.com](http://www.peta.com), sued Defendant, Michael Doughney (Doughney), for cybersquatting.<sup>115</sup> Doughney registered the [www.peta.org](http://www.peta.org) domain name and created a website at that domain name titled "People Eating Tasty Animals."<sup>116</sup> The [www.peta.org](http://www.peta.org) website contained (1) a "People Eating Tasty Animals" caption; (2) references that the site was for those who enjoyed hunting, eating meat, and wearing fur and leather; (3) links to anti-PETA organizations; and (4) an opportunity to "exit immediately" which led users to PETA's official [www.peta.com](http://www.peta.com) website.<sup>117</sup>

Doughney argued that his website was a constitutionally protected parody of PETA, that he did not act in bad faith with an intent to profit, and that he believed his use of PETA's mark was lawful.<sup>118</sup> The district court disagreed, explaining that:

[O]nly after arriving at . . . [the [www.peta.org](http://www.peta.org)] web site could the web site browser determine that this was not a web site owned, controlled

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112. *Id.* at 270–71; *cf.* *Shade's Landing, Inc. v. Williams*, 76 F. Supp. 2d 983, 990 (D. Minn. 1999) ("Because all domain names include one of these extensions, the distinctions between a domain name ending with '.com' and the same name ending with '.net' is not highly significant.").

113. *Virtual Works*, 238 F.3d at 270; *see* 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

114. *Virtual Works*, 238 F.3d at 266. The court did not address Volkswagen's claims of trademark infringement or dilution since "Virtual Works' violation of the ACPA supports the remedy Volkswagen seeks [namely, the rights to *vw.net*]." *Id.*

115. *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 362 (4th Cir. 2001).

116. *Id.* at 362–363. PETA also sought injunctive relief and sued Doughney for service mark infringement, unfair competition, and dilution. *Id.* at 363.

117. *Id.* Doughney eventually moved his website to [www.mtd.com/tasty](http://www.mtd.com/tasty) where he added a disclaimer indicating there was no affiliation with PETA. *Id.*

118. *Id.* at 369. The ACPA's safe harbor provision states that bad faith intent "shall not be found in any case in which the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was fair use or otherwise lawful." 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

or sponsored by PETA. Therefore, the two images: (1) the famous PETA name and (2) the 'People Eating Tasty Animals' website was not a parody because [they were not] simultaneous.<sup>119</sup>

The district court also determined that Doughney's use of PETA's mark was commercial and thus, his use of PETA's mark was neither noncommercial nor fair and further, that Doughney did not have reasonable grounds to believe that his use of PETA's mark was lawful, and thus, it granted summary judgment in favor of PETA.<sup>120</sup>

On appeal, Doughney did not dispute that his www.peta.org domain name could cause a "likelihood of confusion between his web site and PETA," rather, he asked that the Fourth Circuit "consider his website in conjunction with the domain name because, together, they purportedly parody PETA and, thus, do not cause a likelihood of confusion."<sup>121</sup> The Fourth Circuit articulated its four-part test for a successful parody: (1) the site must convey two simultaneous and contradictory messages; (2) that it is the original; (3) that it is *not* the original but is a parody instead; and (4) it diminishes the risk of consumer confusion "by conveying just enough of the original design to allow the consumer to appreciate the point of parody."<sup>122</sup>

The Fourth Circuit found that Doughney's domain name conveyed the first message but that "the second message [was] conveyed only when the viewer read[] the content of the website."<sup>123</sup> The Fourth Circuit also noted the district court's finding that "an internet user would not realize that they were not on an official PETA web site until after they had used PETA's

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119. *People for the Ethical Treatment of Animals*, 263 F.3d . at 364 (quoting *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915, 921 (E.D. Va. 2000)).

120. *Id.* at 362, 369.

121. *Id.* at 366. The Fourth Circuit's analysis of PETA's trademark infringement claim centered on whether the "unauthorized use of a trademark infringes the trademark holder's rights if it is likely to confuse an 'ordinary consumer' as to the source or sponsorship of the goods." *Id.* (citing *Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316, 318 (4th Cir. 1992)).

122. *Id.* (quoting *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987)).

123. *Id.* While Doughney argued that his website content delivered the second required message needed to successfully argue a parody, the Fourth Circuit disagreed, implying that it is the domain name (and not the website content) which must convey the first and second simultaneous, yet contradictory, messages. *Id.* at 366-67.

mark to access the web page ‘www.peta.org.’<sup>124</sup> Therefore, Doughney’s use of www.peta.org was not a constitutionally-protected parody, and his domain name caused a likelihood of confusion.<sup>125</sup> Accordingly, the Fourth Circuit affirmed summary judgment in PETA’s favor on its ACPA claim.<sup>126</sup>

Four years later, the Fourth Circuit decided *Lamparello v. Falwell*. In *Lamparello v. Falwell*, alleged cybersquatter Christopher Lamparello (Lamparello) registered the www.fallwell.com domain name,<sup>127</sup> an intentional misspelling of the name of Reverend Jerry Falwell (Falwell), a nationally recognized minister who maintained a website at www.falwell.com.<sup>128</sup> Lamparello’s www.fallwell.com website contained his responses to Falwell’s views about gay people and homosexuality that offended Lamparello.<sup>129</sup> Although Lamparello’s website stated that “[t]his website is NOT affiliated with Jerry Falwell or his ministry,” it did contain a link to Reverend Falwell’s www.falwell.com website.<sup>130</sup>

Lamparello subsequently filed suit against Falwell, seeking a declaratory judgment of noninfringement.<sup>131</sup> Defendant Falwell counterclaimed against Lamparello, asserting various

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124. *Id.* (quoting *Doughney*, 113 F. Supp. 2d at 921).

125. The Fourth Circuit also found that Doughney’s domain name itself did not indicate it was a parody but rather, copied PETA’s protected mark. *Id.* at 366 (quoting *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc.*, 886 F.2d 490, 494 (2d Cir. 1989) (emphasis in original)).

126. *Id.* at 367; see also *Morrison & Foerster LLP v. Wick*, 94 F. Supp. 2d 1125, 1134–35 (D. Colo. 2000) (contending that defendant’s use of plaintiffs’ mark in domain name “does not convey two simultaneous and contradictory messages” because “[o]nly by reading through the content of the sites could the user discover that the domain names are an attempt at parody”); *Planned Parenthood Federation of Am., Inc. v. Bucci*, 97 Civ. 0629, 1997 U.S. Dist. LEXIS 3338, at \*33 (S.D.N.Y. Mar. 19, 1997) *aff’d*, No. 97-7492, 1998 U.S. App. LEXIS 22179 (2d Cir. Feb. 9, 1998) (rejecting the parody defense because “[s]eeing or typing the ‘planned parenthood’ mark and accessing the web site are two separate and nonsimultaneous activities”). In analyzing PETA’s ACPA claim, the Fourth Circuit observed that it was “undisputed that Doughney made statements to the press and on his website recommending that PETA attempt to ‘make him an offer’ to settle the claim.” *People for the Ethical Treatment of Animals*, 263 F.3d at 368.

127. *Lamparello v. Falwell*, 420 F.3d 309, 311 (4th Cir. 2005). Reverend Falwell held the common law trademarks of “Jerry Falwell” and “Falwell” and the registered trademark of “Listen America with Jerry Falwell.” *Id.*

128. *Id.*

129. *Id.*

130. *Id.*

131. *Id.* at 312

causes of action, including cybersquatting.<sup>132</sup> The district court considered cross-motions for summary judgment and granted summary judgment in Falwell's favor.<sup>133</sup> Lamparello was also required to "transfer the domain name [www.fallwell.com] to Reverend Falwell."<sup>134</sup>

On appeal, the Fourth Circuit noted that in order for Falwell to prevail on his ACPA claim, he had to demonstrate that Lamparello: (1) had a bad faith intent to profit from using www.fallwell.com; and (2) that www.fallwell.com "is identical or confusingly similar to, or dilutive of, the distinctive and famous [Falwell] mark."<sup>135</sup> In its analysis of whether Lamparello acted in bad faith, the Fourth Circuit concluded that Lamparello's use of www.fallwell.com was permissible and fair because he had only used it to comment on and "criticize Reverend Falwell's views."<sup>136</sup> The court commented that "[t]he use of a domain name to engage in criticism or commentary 'even where done for profit' does not alone evidence a bad faith intent to profit."<sup>137</sup> After all, the "ACPA was enacted to eradicate . . . the practice of cybersquatters registering several hundred domain names in an effort to sell them to the legitimate owners of the mark," not to "impinge the First Amendment rights of critics

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132. *Id.*

133. *Lamparello v. Falwell*, 360 F. Supp. 2d 768, 775 (E.D. Va. 2004).

134. *Lamparello*, 420 F.3d at 312. However, the district court "denied Reverend Falwell's request for statutory damages or attorney fees, reasoning that the 'primary motive' of Lamparello's website was 'to put forth opinions on issues that were contrary to those of [Reverend Falwell]' and 'not to take away monies or to profit.'" *Id.* (quoting *Falwell*, 360 F. Supp. 2d 768 at 775).

135. *Id.* at 318 (quoting *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 367 (4th Cir. 2001)). The parties agreed that Lamparello's website did not have a "measurable impact on the quantity of visits to [Reverend Falwell's] web site at www.falwell.com." *Id.* at 311.

136. *Id.* at 320–321 (citing *People for the Ethical Treatment of Animals*, 263 F.3d at 367). The court analyzed Lamparello's criticism of Reverend Falwell in his www.fallwell.com website under the "bona fide noncommercial or fair use" exception of the ACPA, 15 U.S.C. § 1125(d)(1)(B)(i)(IV). *Id.* at 320 (citing H.R. REP. NO. 106-412, at 11(1999)).

137. The court emphasized that "Lamparello did not . . . stand to gain financially from sales of [a book Lamparello favored and whose link he posted on his website]." *Id.* at 320. Applying the remaining eight factors of 15 U.S.C. § 1125(d)(1)(B), the court also determined that Lamparello's domain name was not likely to create a likelihood of confusion as to its source or affiliation, that Lamparello had not made an effort to sell the domain name to Reverend Falwell for financial gain, and that he had not registered multiple domain names. *Id.* at 321.



and commentators.”<sup>138</sup> Therefore, the Fourth Circuit reversed the district court’s award of summary judgment in favor of Reverend Falwell and entered summary judgment in favor of Lamparello in the declaratory action.<sup>139</sup> In doing so, the Fourth Circuit joined the Fifth<sup>140</sup> and Sixth Circuits<sup>141</sup> in holding that “the use of a mark in a domain name for a gripe site criticizing the markholder does not constitute cybersquatting.”<sup>142</sup>

#### D. FIFTH CIRCUIT

In *E. & J. Gallo Winery v. Spider Webs Ltd.*, Plaintiffs, the Ernest and Julio Gallo Winery (“Gallo”) had held a registered trademark in “Ernest and Julio Gallo” since 1964.<sup>143</sup> Gallo sued Defendants Spider Webs Ltd. and its three principals (collectively “Defendants”) for violating the ACPA after Defendants registered the domain name, [www.ernestandjuliogallo.com](http://www.ernestandjuliogallo.com).<sup>144</sup> Defendants’ business ventures included developing thousands of internet addresses by registering them with Network Solutions, Inc. and then selling some of those domain names on eBay for \$10,000 or more.<sup>145</sup> After the lawsuit was initiated, Defendants’ website at [www.ernestandjuliogallo.com](http://www.ernestandjuliogallo.com) began to contain statements about the lawsuit, about alcohol use, corporate misrepresentations, and references to a “Whiney Wine-

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138. *Id.* at 313. The Fourth Circuit also noted that “[t]he legislature believed [the fair use provision of the ACPA was necessary] to ‘protect[] the rights of Internet users and the interests of all Americans in free speech and protected uses of trademarked names for such things as parody, comment, criticism, comparative advertising, news reporting, etc.’” *Id.* at 314 (quoting S. REP. NO. 106–140, at 8 (1999)).

139. *Id.* at 322.

140. See *infra* pp. 27–29; see also *TMI, Inc. v. Maxwell*, 368 F.3d 433, 439 (5th Cir. 2004) (noting that Maxwell’s domain name at [www.trendmaker.com](http://www.trendmaker.com) was noncommercial because it was designed only “to inform potential customers about a negative experience with the company,” and thus, it did not violate the ACPA).

141. See *infra* pp. 30–32; see also *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004) (noting that Grosse’s domain name of [www.lucasnursery.com](http://www.lucasnursery.com) which informed “fellow consumers of one’s experience with a particular service provider” did not violate the ACPA).

142. *Lamparello*, 420 F.3d at 321–22 (analyzing *Maxwell*, 368 F.3d 433 and *Lucas Nursery*, 359 F.3d 806).

143. *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 272 (5th Cir. 2002).

144. *Id.* at 271. Gallo also accused Defendants of trademark infringement, unfair competition, and dilution. *Id.* at 272.

145. *Id.* at 272.

ry.”<sup>146</sup> The first page of the [www.ernestandjuliogallo.com](http://www.ernestandjuliogallo.com) website contained a disclaimer, stating that it was not part of the Ernest and Julio Gallo Wineries.<sup>147</sup>

While Gallo did not challenge Defendant’s criticisms, it did challenge Defendants’ actions which they argued “sought to associate the Gallo trademark with the contents of its web site and because [Defendants] prevented Gallo from using its mark to identify its goods and services on the internet.”<sup>148</sup> The district court concluded that Defendants registered their domain name in bad faith and that their use was not a fair use.<sup>149</sup> The district court then granted summary judgment to Gallo on the ACPA claim and ordered the [www.ernestandjuliogallo.com](http://www.ernestandjuliogallo.com) domain name transferred to Gallo.<sup>150</sup>

In an appeal to the Fifth Circuit, Defendants challenged the district court’s finding that they had acted with a bad faith intent to profit.<sup>151</sup> In its bad faith analysis, the Fifth Circuit found that Defendants’ use of [www.ernestandjuliogallo.com](http://www.ernestandjuliogallo.com) was commercial and not a fair use as Defendants had testified at a deposition that they hoped Gallo “would contact them regarding the domain name.”<sup>152</sup> The Fifth Circuit noted that Defendants’ website had changed after the lawsuit was filed. Following the previous decision of the Third Circuit,<sup>153</sup> the Fifth Circuit held that “when a registrant first uses a web site after litigation begins, this undermines any claim that the [Defendants]’ use was in good faith or was a fair use under the ACPA.”<sup>154</sup> The Fifth Circuit subsequently concluded that “[Defendants] knew Gallo had a famous mark in which Gallo had built up goodwill, and that they hoped to profit from this by registering ‘[ernestandjuliogallo.com](http://ernestandjuliogallo.com)’ and waiting for Gallo to con-

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146. *Id.*

147. *Id.* at 272–73.

148. *Id.* at 279.

149. *Id.* at 272.

150. *Id.* at 278.

151. *Id.* at 274. Defendants did not appeal the district court’s findings that “Gallo had a valid registration in its mark, that the mark is famous and distinctive, and that the domain name registered by Spider Webs is identical or confusingly similar to Gallo’s mark.” *Id.*

152. *Id.* at 275.

153. *Id.* at 276; *see* *Shields v. Zuccarini*, 254 F.3d 476, 485–86 (3d Cir. 2001).

154. *E. & J. Gallo Winery*, 286 F.3d at 276.

tact them . . . .”<sup>155</sup> Therefore, the Fifth Circuit upheld the district court’s determination that Defendants had acted with a bad faith intent to profit and affirmed summary judgment in favor of Gallo.<sup>156</sup>

Two years later, the Fifth Circuit issued its decision in *TMI Inc. v. Maxwell*. Plaintiff TMI, Inc. (TMI), a company that constructed homes under the name TrendMaker Homes, sued Defendant Joseph Maxwell (“Maxwell”) for violating the ACPA.<sup>157</sup> Maxwell was unsatisfied with a TMI representative about a model house and he created a website at [www.trendmakerhome.com](http://www.trendmakerhome.com), which closely resembled TMI’s [www.trendmakerhomes.com](http://www.trendmakerhomes.com) website.<sup>158</sup> Maxwell’s website contained his complaints and displeasures about his interactions with TMI but informed viewers the website was not a TMI-sponsored site.<sup>159</sup> Maxwell’s website also included a “Treasure Chest” feature which allowed viewers to get information about another contractor who had performed construction work for Maxwell.<sup>160</sup> Maxwell eventually removed the site and let the [www.trendmakerhome.com](http://www.trendmakerhome.com) registration expire.<sup>161</sup> TMI subsequently acquired the [www.trendmakerhome.com](http://www.trendmakerhome.com) domain name.<sup>162</sup> After Maxwell failed to re-acquire the [www.trendmakerhome.com](http://www.trendmakerhome.com) domain name, he registered the [www.trendmakerhome.info](http://www.trendmakerhome.info) domain name but never posted any content on a website at that domain.<sup>163</sup>

After trial the district court held that the ACPA requires a mark to have a commercial use for an alleged cybersquatter to be liable under the ACPA.<sup>164</sup> Finding that Maxwell’s use of [www.trendmakerhome.com](http://www.trendmakerhome.com) was the “kind of commercial use

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155. *Id.* at 277. The district court determined that “because internet domain names cannot contain ampersands or spaces, and because all internet domain names must end in a top-level domain such as ‘.co,’ ‘.org,’ ‘.net,’ etc., ‘ernestandjuliogallo.com’ is effectively the same thing as ‘Ernest & Julio Gallo.’” *Id.* at 276.

156. *Id.* at 277.

157. *TMI Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004). TMI further alleged that Maxwell’s website violated the anti-dilution provision of the Lanham Act. *Id.* at 434 (citing 15 U.S.C. § 1125(c) and the Texas Anti-Dilution Statute, TEX. BUS. & COM. CODE § 16.29)).

158. *Id.* at 434.

159. *Id.*

160. *Id.* at 434–35.

161. *Id.* at 434.

162. *Id.* at 435.

163. *Id.*

164. *Id.* at 436.

prohibited by the ACPA,” it determined that Maxwell had violated the ACPA and enjoined him “from using names, marks, and domain names similar to . . . TMI’s marks, including Trend Maker.”<sup>165</sup> The court ordered Maxwell to transfer [www.trendmakerhome.info](http://www.trendmakerhome.info) to TMI.<sup>166</sup>

Maxwell appealed, and the Fifth Circuit determined that the ACPA “does not contain . . . a specific commercial-use requirement”<sup>167</sup> but rather, has nine factors to determine whether a “bad faith intent to profit” existed.<sup>168</sup> The Fifth Circuit ultimately held that Maxwell’s use of TMI’s mark was noncommercial because: (1) Maxwell never accepted payment for any postings on the Treasure Chest feature; (2) Maxwell did not charge for viewing the Treasure Chest feature; (3) Maxwell never intended to charge money for viewers using his website; (4) Maxwell’s website did not contain any advertising or links to other websites; (5) Maxwell was not engaged in the business of selling domain names; and (6) there was no evidence that Maxwell’s use had any business purpose.<sup>169</sup>

In analyzing whether Maxwell had a bad faith intent to profit, the Fifth Circuit stated that “[m]uch of the district court’s analysis of bad faith intent to profit focuse[d] on Maxwell’s behavior during the settlement negotiations and . . . his

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165. *Id.* at 435, 438.

166. The district court also found that Maxwell had violated the anti-dilution provision of the Lanham Act (15 U.S.C. § 1125(c)) and the Texas Anti-Dilution Statute (TEX. BUS. & COM. CODE § 16.29). *Id.* at 435. While the district court issued an order requiring TMI to submit a proposed judgment entry and supposedly giving Maxwell ten days to respond to TMI’s proposed judgment entry, it eventually signed TMI’s proposed judgment entry without allowing Maxwell ten days to respond. *Id.* at 434–35. Furthermore, the signed judgment entry provided a much broader injunction than the district court’s order. *Id.* at 435. While the Fifth Circuit analyzed the depth of this broader injunction, such analysis is not pertinent to this Article.

167. *Id.* at 436.

168. *Id.* (citing 15 USC § 1125(d)(IV)).

169. *Id.* at 437–38; *cf.* *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 275–76 (5th Cir. 2002) (concluding that where Defendant registered domain names like [www.www.ernestandjuliogallo.com](http://www.www.ernestandjuliogallo.com) and subsequently tried to auction off the names while refusing bids under \$10,000, Defendant’s use was clearly commercial and thus, the court “did not need to decide whether the ACPA also requires use in commerce”); *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004) (holding that it need not consider arguments about whether the ACPA covers noncommercial use, “as the statute directs a reviewing court to consider only a defendant’s ‘bad faith intent to profit’ from the use of a mark held by another party”).

backing out of [a] settlement.”<sup>170</sup> The Fifth Circuit also noted that “the Sixth Circuit recently affirmed a trial court’s finding that a disgruntled customer who posted a website similar to Maxwell’s did not have a bad faith intent to profit,”<sup>171</sup> and explained that:

Maxwell made bona fide noncommercial use of the mark in his site, and . . . TMI made no showing that Maxwell intended to divert customers from its own site. . . . Maxwell never offered to sell the domain name, and certainly never had a pattern of selling domain names to mark owners. Maxwell did not behave improperly when providing contact information [when registering his domain name]. . . . Maxwell registered the second domain name [of www.trendmakerhome.info] for the same purposes as the first one and only after his registration of the first name [www.trendmakerhome.com] expired.<sup>172</sup>

Therefore, the Fifth Circuit followed the Sixth Circuit’s rationale in *Lucas Nursery & Landscaping, Inc. v. Grosse*, and held that “Maxwell’s conduct is not the kind of harm that [the] ACPA was designed to prevent.”<sup>173</sup> Thus, it reversed the judgment of the district court and entered judgment in favor of Maxwell.<sup>174</sup>

#### E. SIXTH CIRCUIT

In *Lucas Nursery & Landscaping, Inc. v. Grosse*,<sup>175</sup> Plain-

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170. *TMI*, 368 F.3d at 439. The Fifth Circuit criticized the district court for not explaining in its Memorandum and Order how the nine bad faith factors applied to the facts of the case. *Id.*

171. *Id.* at 439 (citing *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 811 (6th Cir. 2004)); see *infra* pp. 30–32. The court also emphasized that “. . . as in *Lucas Nursery*, the site’s purpose as a method to inform potential customers about a negative experience with the company is key.” *Id.*

172. *Id.* at 440 (discussing 15 U.S.C. § 1125(d)(IV)–(VIII)).

173. *Id.* The court also concluded that the district court erred when it found that Maxwell’s actions violated the Texas Anti-Dilution Statute (TEX. BUS. & COM. CODE § 16.29) because the statute was “not intended to address non-trademark uses of a name to comment on, criticize, ridicule, parody, or disparage the goods or business of the name’s owner.” *Id.* (quoting *Express One Int’l, Inc. v. Steinbeck*, 53 S.W.3d 895, 899 (Tex. App. 2001)).

174. *Id.*

175. *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004). Prior to *Lucas Nursery*, the Sixth Circuit had rendered an ACPA decision in 2002 in *Bird v. Parsons*, 289 F.3d 865 (6th Cir. 2002). However, this case was essentially decided on procedural grounds and is not substantially related to the arguments made in this Article. In *Bird*, Plaintiff Darrell Bird (Bird) sued several alleged cybersquatters for cybersquatting, trademark infringement, unfair competition, and trademark dilution. Bird owned a business named Financia, Inc. as well as the www.financia.com domain name. Defendants had registered the tradename “Financia” with the United States Patent & Trademark Office and also registered www.efinancia.com as a do-

tiff Lucas Nursery and Landscaping, Inc. (Lucas Nursery) sued a former customer, Defendant Michelle Grosse (Grosse), who was displeased with Lucas Nursery's landscaping services, for violating the ACPA.<sup>176</sup> Grosse had registered the domain name, www.lucasnursery.com, and created a website titled "My Lucas Landscaping Experience" at that domain to complain about the Lucas Nursery services she received.<sup>177</sup> Both parties filed cross-motions for summary judgment, and the district court subsequently granted summary judgment in Grosse's favor.<sup>178</sup>

On appeal, the Sixth Circuit conducted a de novo review of whether Grosse had acted with a "bad faith intent to profit" as required by the ACPA.<sup>179</sup> It found that the following "bad faith" factors weighed against Grosse: (1) she did "not hold a trademark or other intellectual property rights to the domain name or names included in the registered domain name;" (2) "[t]he domain name neither consists of her legal name or any name used to refer to her[;]" and (3) "Grosse has also not used the domain name in connection with any offering of goods or services."<sup>180</sup> As to the bad faith fourth factor regarding "fair use," the Court found that Grosse's website was "used for noncommercial purposes."<sup>181</sup>

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main name. Defendants parked the www.efinancia.com domain name on the website of an Internet domain names registrar. *Id.* at 869–70. The www.efinancia.com domain name was later listed on an auction website as being available for purchase and Defendants also attempted separately to sell the domain name. Bird argued that Defendants had a bad faith intent to profit by registering the www.efinancia.com domain name. Defendants successfully filed dispositive motions pursuant to Fed. Civ. R. 12(B)(2) and (6). *Id.* at 870, 876. On appeal, the Sixth Circuit found that only one defendant had registered the www.efinancia.com domain name and held that "liability for using a domain name can only exist for the registrant or that person's authorized licensee." *Id.* at 881. The Sixth Circuit also found that 15 U.S.C. § 1125(d)(1)(A)(ii) precluded liability under the ACPA and affirmed the district court's judgment in Defendants' favor. *Id.* at 877–79, 881–82.

176. *Lucas Nursery*, 359 F.3d at 807.

177. *Id.* at 807–08. After learning of Grosse's website, Lucas Nursery eventually sent Grosse a cease and desist letter, prompting Grosse to contact the U.S. Patent & Trademark Office and discover that Lucas Nursery was not a registered trademark. *Id.* at 808.

178. *Id.*

179. *Id.* With respect to the nine bad faith factors, the court stated that "it is not clear to this Court that the presence of simply one factor that indicates a bad faith intent to profit, without more, can satisfy an imposition of liability within the meaning of the ACPA." *Id.* at 810.

180. *Id.* at 809.

181. *Id.*

The fifth, sixth, seventh, and eighth “bad faith” factors also weighed in Grosse’s favor.<sup>182</sup> Since Lucas Nursery did not have a website, Grosse could not have intended to divert consumers from Lucas Nursery’s website or mislead users as to the website’s sponsor.<sup>183</sup> To the contrary, Grosse’s website stated that Grosse had created it for the sole purpose of describing her prior dealings with Lucas Nursery.<sup>184</sup> Grosse also never bought or registered additional domain names, never tried to sell the domain name to Lucas Nursery, nor did she provide false contact information when she registered the domain name.<sup>185</sup> The Sixth Circuit further found that it was never Grosse’s intention to register hundreds of domain names in the hopes of selling them to trademark owners.<sup>186</sup> Rather, it found that “Grosse’s actions . . . seem to have been undertaken in the spirit of informing fellow consumers about the practices of a landscaping company that she believed had performed inferior work on her yard[,]” a purpose consistent with the ACPA’s consumer protection aim.<sup>187</sup> Therefore, the Sixth Circuit affirmed the district court’s granting of summary judgment in favor of Grosse.<sup>188</sup>

Seven months later, the Sixth Circuit decided *DaimlerChrysler v. The Net, Inc.*, Plaintiff DaimlerChrysler sued Defendant The Net Inc. (“the Net”) for ACPA violations after the Net registered the [www.foradodge.com](http://www.foradodge.com) domain name, and created a pornographic website at that domain.<sup>189</sup> Decades earlier, DaimlerChrysler had registered the DODGE mark as a trademark, and it later established a [www.4ADODGE.com](http://www.4ADODGE.com)

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182. *Id.* at 809–10.

183. *Id.*

184. *Id.*

185. *Id.* at 811.

186. *Id.*

187. *Id.*

188. *Id.* at 809–11. Lucas Nursery argued that the decision in *People for the Ethical Treatment of Animals v. Doughney* supported a finding that Grosse had violated the ACPA. *Id.* at 810 (citing *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001)). The Sixth Circuit disagreed, noting that in *People for the Ethical Treatment of Animals*, the alleged cybersquatter had registered the [www.peta.org](http://www.peta.org) domain name and created a website at that domain name in which he urged PETA to make him an offer for the [www.peta.org](http://www.peta.org) domain name. The alleged cybersquatter in *PETA* had also “registered other domain names that [were] identical or similar to the marks or names of other famous people and organizations.” *Id.* The Sixth Circuit found that Grosse had not “engaged in . . . such offensive conduct.” *Id.*

189. *DaimlerChrysler v. The Net, Inc.*, 388 F.3d 201, 203 (6th Cir. 2004).

website to advertise and market its products.<sup>190</sup> The district court entered summary judgment for DaimlerChrysler and permanently enjoined the defendants from using the “foradodge” name.<sup>191</sup>

On appeal, the Net argued that the district court erred because: (1) the mark “4ADODGE” was not a protected trademark for purposes of the ACPA; (2) it did not have a bad faith intent to profit when the *www.foradodge.com* domain name was registered; and (3) its actions were protected by the ACPA’s safe harbor exception.<sup>192</sup> In its analysis of whether “4ADODGE” was a protected mark, the Sixth Circuit noted that a trademark need not be formally registered in order to be protected under the ACPA.<sup>193</sup> Although the “4ADODGE” mark was not registered, DaimlerChrysler had registered its DODGE mark in 1939 and continuously used it thereafter.<sup>194</sup> However, the mark “ha[d] been used by the plaintiff to distinguish its automobiles for a number of years [and as] early as 1994, [p]laintiff advertised and used as a toll free telephone number 1-800-4-A-DODGE.”<sup>195</sup> DaimlerChrysler had also used its *www.4ADODGE.COM* website since 1995.<sup>196</sup>

The Sixth Circuit also noted that “[e]ven if there was a genuine issue of material fact as to whether [DaimlerChrysler] has a valid trademark in 4ADODGE, the district court also concluded that the [Net’s] ‘foradodge.com’ domain name was confusingly similar to [DaimlerChrysler’s] distinctive and famous DODGE mark.”<sup>197</sup> The court observed that “[c]ourts generally have held that a domain name that incorporates a trademark is ‘confusingly similar to’ that mark if ‘consumers might think that [the domain name] is used, approved, or permitted’ by the mark holder.”<sup>198</sup> Moreover, it noted that “slight differ-

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190. *Id.* at 203, 205.

191. *Id.* at 203.

192. *Id.* at 203–04. Since the first time the Net asserted that they “had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful” was during the appeal, the Sixth Circuit considered this argument waived. *Id.* at 204–05, n.1 (citing 15 U.S.C. § 1125(d)(1)(B)(ii)).

193. *Id.* at 205; see *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 209 (2000); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992).

194. *DaimlerChrysler*, 388 F.3d at 205.

195. *Id.*

196. *Id.*

197. *Id.*

198. *Id.* (alteration in original) (citing *Ford Motor Co., v. Greatdo-*



ences between domain names and registered marks, such as the addition of minor or generic words to the disputed domain names are irrelevant.”<sup>199</sup>

As to whether the Net had a bad faith intent to profit when it registered the [www.foradodge.com](http://www.foradodge.com) domain name, the Sixth Circuit determined that eight of the nine factors,<sup>200</sup> weighed in favor of a finding of bad faith.<sup>201</sup> After all, the Net had registered dozens of other domain names that were similar to other trademarks, such as [www.themicrosoftnetwork.com](http://www.themicrosoftnetwork.com).<sup>202</sup> Therefore, the Sixth Circuit affirmed the district court’s summary judgment in DaimlerChrysler’s favor.<sup>203</sup>

The *Audi AG v. D’Amato*, case soon followed. Plaintiff, Audi AG (Audi), sued Defendant, Bob D’Amato (D’Amato), for ACPA violations, trademark infringement, and dilution after D’Amato registered the [www.audisport.com](http://www.audisport.com) domain name to sell Audi goods and merchandise containing Audi’s “AUDI” and “AUDI FOUR RING LOGO” trademarks.<sup>204</sup> D’Amato described and displayed Audi’s trademarks on his website after allegedly receiving verbal permission from an Audi employee.<sup>205</sup> The [www.audisport.com](http://www.audisport.com) website’s homepage also contained statements indicating that the website was Audi’s “cooperative” and its content contained hyperlinks to [www.audisportline.com](http://www.audisportline.com).<sup>206</sup>

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mains.Com, Inc., 177 F. Supp. 2d 635, 641 (E.D. Mich. 2001)). The Sixth Circuit also noted that the Net did not appeal the district court’s finding that the “foradodge.com” domain name is confusingly similar to [DaimlerChrysler’s] protected DODGE mark.” *Id.* at 206.

199. *Id.* (citing *Ford Motor Co.*, 177 F. Supp. 2d at 641) (internal quotations omitted) (holding that marks incorporated into the domain names “4fordparts.com,” “jaguarcenter.com,” and “volvoguy.com” were confusingly similar to the marks FORD, JAGUAR, and VOLVO); *see also* Spear, Leeds, & Kellogg v. Rosado, 122 F. Supp. 2d 403, 406 (S.D.N.Y. 2000) (finding that domain names that combined the “Redi” mark with generic or descriptive terms were confusingly similar to the plaintiff’s trademark).

200. The sixth bad faith factor under the ACPA, which the court found did not weigh in favor of a finding of bad faith, contemplates whether a 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. 15 U.S.C. § 1125(d)(1)(B)(i)(VI) (2006).

201. *DaimlerChrysler*, 388 F.3d at 205.

202. *Id.* at 204, 206 (citing 15 U.S.C. § 1125(d)(1)(B)(i)).

203. *Id.* at 207.

204. *Audi AG v. D’Amato*, 469 F.3d 534, 538 (6th Cir. 2006).

205. *Id.* at 539.

206. *Id.* at 540.

Consumers who used the link to access [www.audisportline.com](http://www.audisportline.com) were eventually directed to an “Audisport Boutique and Services” website that sold hats and shirts containing the “Audi Sport” logo and offered [www.audisport.com](http://www.audisport.com) email services.<sup>207</sup> The district court granted summary judgment in favor of Audi on all of its claims and awarded it a permanent injunction.<sup>208</sup>

On appeal the Sixth Circuit analyzed whether D’Amato acted with a bad faith intent to profit.<sup>209</sup> The Court found that the fourth bad faith factor, regarding the bona fide noncommercial or fair use of a mark, weighed against D’Amato “because D’Amato used [www.audisport.com](http://www.audisport.com) to sell merchandise and email addresses bearing the Audi name, and up until the district court issued the injunction, was selling advertising space bearing the Audi name.”<sup>210</sup> The Court also determined that D’Amato could not invoke the ACPA’s safe harbor exception<sup>211</sup> because:

[A] court should . . . make use of this “reasonable belief” defense very sparingly and only in the most unusual cases. That is, the court should place emphasis on the phrase “had *reasonable grounds* to believe” that the conduct was lawful, focusing primarily upon the objective reasonableness and credibility of the defendant’s professed ignorance of the fact that its conduct was unlawful. Otherwise, every cybersquatter would solemnly aver that it was entitled to this defense because it believed that its conduct was lawful.<sup>212</sup>

Therefore, the Sixth District affirmed the district court’s summary judgment for Audi.<sup>213</sup>

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207. *Id.* at 539–40. D’Amato stood to benefit financially from the hyperlinks on his website because he would receive a portion of the sales revenue, but his website never made any profits. *Id.* at 540.

208. At the time Audi’s motion for summary judgment was granted, D’Amato’s website contained a disclaimer noting that “this page is not associated with Audi AG or Audi USA in any way.” *Id.* at 539, 541 (quoting Audi AG v. D’Amato, 381 F. Supp. 2d 644, 650 (E.D. Mich. 2005)).

209. *Id.* at 548; *see also* 15 U.S.C. § 1125(d)(1)(B)(i) (2006).

210. *Audi AG*, 469 F.3d at 549.

211. *Id.* at 548–49; *see* 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

212. *Id.* at 549 (emphasis in original) (quoting J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS § 25.78 (4th ed. 2004)); *see also* Harrods Ltd. v. Sixty Internet Domain Names, 157 F. Supp. 2d 658, 679 (E.D. Va. 2001), *aff’d in part, rev’d in part on other grounds*, 302 F.3d 214 (4th Cir. 2002) (“[A]ll but the most blatant cybersquatters will be able to put forth at least some lawful motives for their behavior. To hold that all such individuals may qualify for the safe harbor would frustrate Congress’ purpose by artificially limiting the statute’s reach.”).

213. *Audi AG*, 469 F.3d at 539.

## F. EIGHTH CIRCUIT

In *Coca-Cola v. Purdy*, Plaintiffs Coca-Cola Company, McDonald's Corp., Pepsico., Inc., The Washington Post Company, and Washingtonpost.Newsweek Interactive Company, LLC (collectively Plaintiffs) sued Defendant, William Purdy (Purdy), for ACPA violations after Purdy registered domain names such as [www.drinkcoke.org](http://www.drinkcoke.org), [www.mycoca-cola.com](http://www.mycoca-cola.com), and [www.my-washingtontonpost.com](http://www.my-washingtontonpost.com), and created websites at those names.<sup>214</sup> Purdy linked these websites to antiabortion websites containing images of aborted fetuses, suggesting that Plaintiffs supported abortions.<sup>215</sup> The district court entered several preliminary injunctions against Purdy prohibiting him from using the domain names.<sup>216</sup> Purdy then proceeded to register more than sixty new domain names containing Plaintiffs' marks, such as [www.gopepsi.org](http://www.gopepsi.org).<sup>217</sup>

On appeal Purdy argued: (1) that the district court erred in granting a preliminary injunction against him because Plaintiffs had not demonstrated a strong possibility that they would succeed on the merits of their claims;<sup>218</sup> and (2) the First Amendment allowed "him to use the domain names at issue to attract Internet users to websites containing political expression and criticism of the plaintiffs."<sup>219</sup>

The Eighth Circuit noted that the key issue was whether Purdy's domain names were "identical or confusingly similar to [Plaintiffs'] marks," not whether they were "likely to be confused with [Plaintiffs'] domain names."<sup>220</sup> It did not matter that "confusion about a website's source or sponsorship could be re-

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214. *Coca-Cola Co., v. Purdy*, 382 F.3d 774, 779 (8th Cir. 2004). Purdy's [www.my-washingtonpost.com](http://www.my-washingtonpost.com) website was virtually identical to the website maintained by Plaintiff, The Washington Post, located at [www.mywashingtonpost.com](http://www.mywashingtonpost.com). *Id.*

215. *Id.*

216. *Id.* at 780–82.

217. *Id.* at 777–82.

218. *Id.* at 782. A court considers the following four factors when deciding whether to grant a preliminary injunction: 1) the probability of the movant's success on the merits; 2) the threat of irreparable harm to the movant; 3) the balance between this harm and the injury that granting the injunction will inflict on other interested parties; and 4) whether the issuance of the preliminary injunction is in the public interest. *Id.* at 782; *see also* *Dataphase Sys., Inc. v. C L Sys., Inc.*, 640 F.2d 109, 114 (8th Cir. 1981) (en banc).

219. *Coca-Cola Co.*, 382 F.3d at 787.

220. *Id.* at 783; *see* 15 U.S.C. § 1125(d)(1)(A)(ii) (2006).

solved by visiting the website . . . .”<sup>221</sup> The court concluded that Purdy’s domain names were confusingly similar to Plaintiffs’ marks, given Purdy’s intent to profit from such similarities through the use of unsuspecting Internet users.<sup>222</sup>

Purdy also asserted that he only used the domain names to communicate his personal message.<sup>223</sup> However, the pertinent issue was “whether the First Amendment protects a misleading use of plaintiffs’ marks in domain names to attract an unwitting and possibly unwilling audience to Purdy’s message.”<sup>224</sup>

In analyzing whether Purdy had a bad faith intent to profit, the court noted that while Purdy had “made some noncommercial or fair use of the plaintiffs’ marks in critical commentary sites accessible under the domain names, prior to the filing of this lawsuit he principally attached the names to antiabortion websites that made no mention of plaintiffs whatsoever.”<sup>225</sup> The Court also determined that Purdy’s website could not be completely noncommercial because it “directly solicited monetary contributions and offered various antiabortion merchandise for sale.”<sup>226</sup> The Court was not persuaded by Purdy’s ar-

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221. *Coca-Cola Co.*, 382 F.3d at 783. The Eighth Circuit relied on *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001) wherein “the Fourth Circuit found *peta.org* confusingly similar to PETA’s mark even though the attached website was a clear parody of the organization, for ‘an internet user would not realize that they were not on an official PETA web site until after they had used PETA’s mark to access the web page ‘www.peta.org.’” *Id.* at 783 (citing *People for the Ethical Treatment of Animals*, 263 F.3d at 366–67); *see also* *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 271 (4th Cir. 2001) (holding that the domain name “vw.net” was similar to Volkswagen’s “VW” mark even though attached website advertised an ISP); *Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 497–98 (2d Cir. 2000) (holding that the domain name “sporty’s.com” was confusingly similar to aviation catalog company’s “Sporty’s” mark even though the website advertised a Christmas tree farm).

222. *Coca-Cola Co.*, 382 F.3d at 784.

223. *Id.* at 787.

224. *Id.* The court also emphasized that the issue on appeal was *not* whether Purdy had a First Amendment right “to use the Internet to protest abortion and criticize the plaintiffs or to use expressive domain names that are unlikely to cause confusion.” *Id.* (citing *Taubman Co. v. Webfeats*, 319 F.3d 770, 778 (6th Cir. 2003) (holding that the domain name “taubmansucks.com” was permissible because it removed any confusion as to its source)); *see also* *Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 585–86 (2d Cir. 2000) (holding that domain names which themselves express a message may be protected).

225. *Coca-Cola Co.*, 382 F.3d at 785–86.

226. *Id.* at 786 (citing 15 U.S.C. § 1125(d)(1)(B)(i)(IV)).

gument that his use of Plaintiffs' marks in his domain names were a "fair use" and that he reasonably believed his conduct was protected by the ACPA, given: (1) his pattern of continuing to create domain names after a preliminary injunction had been issued; and (2) his conduct in another case where he was enjoined after creating a website to criticize his former boss.<sup>227</sup> Because the "First Amendment does not protect the deceptive use of domain names that are identical or confusingly similar to another's trademarks," the Court found that Purdy's conduct was likely to have violated the ACPA.<sup>228</sup>

The Eighth District further found that Purdy "registered many of these domain names . . . to divert Internet users to websites that could tarnish and disparage their marks by creating initial confusion as to the sponsorship of the attached websites and implying that their owners have taken positions on a hotly contested issue."<sup>229</sup> The Court commented that the First Amendment will not shield "the use of a trademark in a domain name that creates a likelihood of confusion as to the source or sponsorship of the attached website."<sup>230</sup> While acknowledging that Purdy had a "right to express his message over the Internet," the court found that he had "not shown that the First

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227. *Id.* at 788 (citing *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 369 (4th Cir. 2001) (noting that a defendant "who acts even partially in bad faith in registering a domain name is not, as a matter of law, entitled to benefit from [the ACPA's] safe harbor provision"); see also 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

228. *Coca-Cola Co.*, 382 F.3d at 790. The Eighth District also held that "[u]se of a trademark in a way that is likely to cause confusion as to the source or sponsorship or the expression is not protected conduct." *Id.* at 791; see *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 527–28 (1987) (holding that the United States Olympic Committee's property right in the word "Olympic" can be protected without violating the First Amendment); *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994) (holding that First Amendment right does not apply to the use of beer manufacturer's marks in parody that was likely to cause confusion). The court also noted that Purdy was free to register domain names like *www.PurdySupportsPepsi.com* to spread his antiabortion message because such a name would not be "identical or confusingly similar to any of plaintiffs' marks." *Coca-Cola Co.*, 382 F.3d at 790–91.

229. *Id.* at 786 (citing 15 U.S.C. § 1125(d)(1)(B)(i)(V)).

230. *Id.* at 787 (citing *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313, at \*10–11 (S.D.N.Y. Mar. 24, 1997), *aff'd* No. 97-7492, 1998 U.S. App. LEXIS 22179 (2d Cir. Feb. 9, 1998) (holding that the First Amendment does not prevent injunctive relief against use of *plannedparenthood.com*, because use of the term "planned parenthood" was not part of a communicative message but was merely used to identify the source of a product)).

Amendment protects his appropriation of plaintiffs' marks in order to spread his protest message by confusing Internet users into thinking that they are entering one of the plaintiffs' websites."<sup>231</sup> The Eighth Circuit affirmed the district court's order granting preliminary injunctions against Purdy.<sup>232</sup>

#### G. NINTH CIRCUIT

In *Interstellar Starship Services, Ltd. v. Epix, Inc.*, Plaintiff Interstellar Starship Services (Interstellar) registered the www.epix.com domain name and created a website at that domain to showcase its electronic pictures and technical abilities.<sup>233</sup> Defendant, Epix Incorporated (Epix, Inc.), a manufacturer and seller of imaging hardware, had registered the "EPIX" trademark in 1990.<sup>234</sup> Epix, Inc. sued Interstellar for cybersquatting, but after a bench trial, the district court concluded that Interstellar had not violated the ACPA.<sup>235</sup> On appeal, the Ninth Circuit held that Interstellar had not acted with a bad faith intent to profit when it registered the www.epix.com domain name and created a website at that domain and affirmed the district court.<sup>236</sup>

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231. *Id.* at 788 (citing 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 25:76 (4th ed. 2000)). The Eighth Circuit opined "Purdy retains multiple lawful avenues of expression, however, including publication of his ideas over the Internet using nonconfusing domain names." *Id.* at 789. The Eighth Circuit also found that "[t]he right to disseminate criticism on the Internet cannot trump the public's right not to be deceived by a confusingly similar domain name." *Id.* at 789 (alteration in original) (citing 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 25:76 (4th ed. 2000)).

232. *Id.* at 792. The court distinguished the facts before it from the decisions of the Fifth Circuit in *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806 (6th Cir. 2004) and *TMI, Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004). Neither of the defendants in those cases registered additional infringing domain names, offered to transfer those domain names for consideration, linked the domain names to websites about issues other than the company's business or to websites that solicited donations or sold merchandise, or demonstrated a bad faith intent to profit from their respective plaintiffs' marks. *Coca-Cola Co.*, 382 F.3d at 787.

233. *Interstellar Starship Services, Ltd. v. Epix, Inc.*, 304 F.3d 936, 939–40 (9th Cir. 2002).

234. *Id.* For purposes of this Article, only the ACPA-related portions of the Ninth Circuit's decision in *Interstellar Starship Services* are discussed. See *Interstellar Starship Serv., Ltd. v. Epix, Inc.*, 184 F.3d 1107 (9th Cir. 1999).

235. *Interstellar Starship Services*, 304 F.3d at 938.

236. *Id.* at 947.

Three years later, the Ninth Circuit decided *Bosley Medical Institute v. Kremer*. Plaintiff Bosley Medical Institute (Bosley) sued alleged cybersquatter Defendant Michael Kremer (Kremer), a dissatisfied customer, after Kremer registered the www.BosleyMedical.com domain name and created a website at that domain to criticize Bosley and report on a prosecutorial investigation of Bosley.<sup>237</sup> “Bosley Medical” was Bosley’s registered trademark.<sup>238</sup> Kremer maintained a second website at www.BosleyMedicalViolations.com, which viewers could access from a link on www.BosleyMedical.com.<sup>239</sup> The district court entered summary judgment in Kremer’s favor and dismissed Bosley’s ACPA claim after determining that Kremer’s use of Bosley’s mark was noncommercial.<sup>240</sup>

On appeal the Ninth Circuit reversed the district court’s decision award of summary judgment in Kremer’s favor.<sup>241</sup> In its analysis of whether the ACPA required a cybersquatter to make a commercial use of a trademark owner’s mark, the Court concluded that it did not. In doing so, the Ninth Circuit agreed with the Fifth and Sixth Circuits’ determinations that the ACPA does not require commercial use of a mark.<sup>242</sup> However, it acknowledged that “[t]he use of a domain name in connection with a site that makes a noncommercial or fair use of the mark does not necessarily mean that the domain name registrant lacked bad faith.”<sup>243</sup> The Court also concluded that Kremer’s

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237. *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 674 (9th Cir. 2005). Bosley also sued Kremer for trademark infringement, dilution, unfair competition, various state law claims, and libel. *Id.* at 674.

238. *Id.*

239. Bosley did not challenge Kremer’s use of the www.BosleyMedicalViolations.com website in the case. *Id.*

240. *Id.* at 675.

241. *Id.* at 674.

242. *See DaimlerChrysler v. The Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004); *see also Ford Motor Co. v. Catalonette*, 342 F.3d 543, 546 (6th Cir. 2003); *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270 (5th Cir. 2002).

243. *Bosley Med. Inst., Inc.*, 403 F.3d at 680–81 (quoting *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 778 (8th Cir. 2004) (internal quotation marks and citation omitted)); *see also* H.R. REP. NO. 106–412, at 11 (1999) (“This factor is not intended to create a loophole that otherwise might swallow the bill, however, by allowing a domain name registrant to evade application of the Act by merely putting up a noninfringing site under an infringing domain name.”). Given that one of the nine bad faith factors is whether one had a “bona fide non-commercial or fair use of the mark in a site accessible under the domain name,” the Ninth Circuit noted that such “factor would be meaningless if the statute exempted all non-commercial uses of a trademark within a domain name.” *Bosley Med. Inst., Inc.*, 403 F.3d at 681 (citing 15 U.S.C. §

website was not a commercial one because although it linked to discussion groups and advertisements, it did not offer any products or advertisements for purchase.<sup>244</sup> Rather, Kremer's website simply expressed his views about Bosley's services.<sup>245</sup>

The Ninth Circuit also reversed the district court's award of summary judgment in Kremer's favor on two additional grounds. First, discovery on Bosley's ACPA claim had not yet been completed at the time summary judgment was granted.<sup>246</sup> Second, the ACPA claim "was not within the scope of the summary judgment motion . . ." and the district court had failed to notify Bosley that it would rule on the ACPA claim when deciding the motion.<sup>247</sup> Therefore, the Ninth Circuit held that "the district court [had] erred in granting summary judgment to Kremer" on the ACPA claim and remanded the claim to the district court for further review.<sup>248</sup>

#### H. TENTH CIRCUIT

In 2008 the Tenth Circuit decided *Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research*, and articulated a new test for determining when fair use, including parodies, can survive an ACPA claim.<sup>249</sup> Plaintiff Utah Lighthouse Ministry (UTLM) was an organization founded by Jerald and Sandra Tanner whose mission was to criticize the Lat-

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1125(d)(1)(B)(i)(IV)).

244. *Id.* at 678 (citing *TMI, Inc. v. Maxwell*, 368 F.3d 433, 438 (5th Cir. 2004) (holding that the commercial use requirement is not satisfied where defendant's site had no outside links)). Regarding Bosley's Lanham Act claim, the court held that "the noncommercial use of a trademark as the domain name of a website—the subject of which is consumer commentary about the products and services represented by the mark—does not constitute infringement under the Lanham Act." *Id.* at 674. The court also noted that there were "no links to any of Bosley's competitors' websites" on Kremer's [www.BosleyMedical.com](http://www.BosleyMedical.com) website. *Id.*

245. *Id.* at 678–79. The court emphasized that "trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view." *Id.* at 676 (citing *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002) (internal quotation marks and citations omitted)).

246. *Id.* at 681 (citing *Celotex Corp. v. Catrett*, 477 U.S. 317, 326 (1986)).

247. *Id.* at 674, 680.

248. *Id.* at 672–74, 682.

249. *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1048 (10th Cir. 2008).



ter-day Saints (LDS) church.<sup>250</sup> UTLM used its www.utlm.org website to sell books supporting its mission.<sup>251</sup> Defendant Foundation for Apologetic Information and Research (FAIR), was an organization with a website that responded to criticisms of the LDS church.<sup>252</sup> Defendant Allen Wyatt (Wyatt), FAIR's vice president and webmaster, registered ten domain names (including www.utahlighthouse.com, www.utahlighthouse.org, and other various combinations of the words "Utah Lighthouse Ministry" and the Tanner's names).<sup>253</sup>

When viewers visited any of Wyatt's ten domain names, they were directed to Wyatt's own website parodying UTLM's www.utlm.org website.<sup>254</sup> At the time Wyatt created his parodic website, "UTAH LIGHTHOUSE" was not a registered trademark.<sup>255</sup> Although Wyatt's website was similar in some respect to UTLM's website, it had different yet parallel content.<sup>256</sup> For example, the two websites had lighthouses with black and white stripes and similar welcome messages for viewers.<sup>257</sup> Wyatt's website also contained the words "Destroy, Mislead, and Deceive" but did not have a disclaimer indicating it was not associated with UTLM's website.<sup>258</sup> Rather, UTLM's welcome message on its website read "Welcome to the Official Website of the Utah Lighthouse Ministry, founded by Jerald and Sandra Tanner," while Wyatt's welcome message read "Welcome to an official website *about* the Utah Lighthouse Ministry, *which was* founded by Jerald and Sandra Tanner."<sup>259</sup>

UTLM sued Defendants FAIR and Wyatt (collectively, "Defendants") for trademark infringement, unfair competition, trademark dilution, cybersquatting, and trade dress infringement.<sup>260</sup> After considering cross motions for summary judgment, the district court entered summary judgment for Defen-

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250. *Id.*

251. *Id.*

252. *Id.*

253. *Id.* at 1048–49.

254. *Id.* at 1049, 1057.

255. *Id.* at 1050.

256. *Id.* at 1048–49.

257. *Id.* at 1049.

258. *Id.*

259. *Id.* (emphasis added). Wyatt's website did not offer any goods, services, or advertising for sale but did include hyperlinks to a Brigham Young University organization, articles criticizing the Tanners, the LDS church website, and the FAIR homepage. *Id.*

260. *Id.*

dants on all six claims.<sup>261</sup>

UTLM appealed the summary judgment ruling only as to its trademark infringement, unfair competition, and cybersquatting claims.<sup>262</sup> UTLM argued: (1) that Wyatt had used the “UTAH LIGHTHOUSE” mark “in connection with any goods or services” in part because Wyatt’s website contained hyperlinks to the FAIR website which sold goods and therefore, Wyatt’s website was commercial in use; and (2) that Wyatt’s website was not a parody.<sup>263</sup>

The district court had held, and the Tenth District agreed, that Wyatt’s website did not constitute a commercial use because it “provided no goods or services, earned no revenue, and [did not have] direct links to any commercial sites.”<sup>264</sup> Rather, Wyatt’s website was used in connection with his own commentary about UTLM and his “use of the [UTAH LIGHTHOUSE] trademark was separated from any goods or services offered for sale.”<sup>265</sup> UTLM also asserted that Wyatt’s website prevented Internet users from reaching the products sold on its own website.<sup>266</sup> The Tenth Circuit disagreed, finding that “the defendant in a trademark infringement and unfair competition case must use the mark in connection with the goods or services of a competing producer, *not merely to make a comment on the trademark owner’s goods or services.*”<sup>267</sup>

Finally, UTLM argued that “the overall commercial nature of the Internet renders the [Wyatt] website itself a commercial use.”<sup>268</sup> The Tenth Circuit rejected this argument, finding that not all Internet uses are commercial for purposes of the Lanham Act.<sup>269</sup> Thus, the Tenth Circuit concluded that Defendants’ use of UTLM’s trademark, UTAH LIGHTHOUSE, was not “in

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261. *Id.* at 1048.

262. *Id.* at 1050.

263. *Id.* at 1052, 1056–57. A hyperlink “is an active button or text on web pages that, when clicked with a mouse, immediately takes the user to some other web page.” *See* Nupp, *supra* note 19, at 656.

264. *Id.* at 1052 (citing Mem. Decision & Order at 11); *see also* Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005) (finding a sequence of links to advertising did not constitute commercial use).

265. *Utah Lighthouse*, 527 F.3d at 1052–53 (citing *Bosley*, 403 F.3d at 679).

266. *Id.* at 1053.

267. *Id.* at 1053 (emphasis added).

268. *Id.* at 1051–52; *see also* 15 U.S.C. § 1125(a)(1).

269. 527 F.3d at 1054.

connection with any goods or services.”<sup>270</sup>

As to the issue of whether Wyatt’s website was a parody and would exempt Defendants from liability under the ACPA, the Tenth Circuit found that the district court had not erred in determining that Wyatt’s website was a parody because it did not cause a likelihood of confusion.<sup>271</sup> The Tenth Circuit stated:

A critical parody nevertheless “derive[s] benefit from the reputation of the owner of the mark . . . [in that] no parody could be made without the initial mark.” What is critical is that the benefit “arises from the humorous association, not from public confusion as to the source of the marks,” so no inference of confusion can be drawn from the intentional use simply as a parody.<sup>272</sup>

Noting that a parody can succeed only if the trademark at issue is strong, the Court concluded that Wyatt’s website was a parody and the likelihood of confusion was minimal.<sup>273</sup> It emphasized that “it would be immediately apparent to anyone visiting the Wyatt website that it was not the UTLM website due to the differences in content . . . as there are sufficient differences between the content and style of the two websites to avoid the possibility of confusion.”<sup>274</sup> Thus, the district court had properly granted summary judgment in Defendants’ favor on Plaintiff’s trademark infringement and unfair competition claims.

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270. *Id.*

271. *Id.* at 1054–58. The court noted that “[e]ven if Defendants’ use were determined to be commercial, it would only infringe upon UTLM’s trademark rights if the use created a likelihood of confusion.” *Id.* at 1054; *see* 15 U.S.C. § 1125(a)(1)(A) (2006). A determination of the likelihood of confusion involves six factors: 1) the degree of similarity between the marks; 2) the intent of the alleged infringer in using the mark; 3) evidence of actual confusion; 4) similarity of products and manner of marketing; 5) the degree of care likely to be exercised by purchasers; and 6) the strength or weakness of the marks. *Id.* at 1055; *see* Sally Beauty Co., Inc. v. Beutyco, Inc., 304 F.3d 964 (10th Cir. 2002). In addition, the Tenth Circuit noted that “[p]arody is another factor to consider in determining the likelihood of confusion.” 527 F.3d at 1055.

272. *Id.* (quoting *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir.1987)) (alterations in original) (internal citations omitted).

273. *Id.* at 1056.

274. *Id.* at 1056–57. The court also noted that “[a] parody adopts some features of the original mark, but relies upon a difference from the original mark to produce its desired effect.” *Id.* at 1057; *see* *Jordache Enters.*, 828 F.2d at 1486 (“An intent to parody is not an intent to confuse.”); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group*, 886 F.2d 490, 494 (2d Cir. 1989) (confusing parodies are “vulnerable under trademark law”); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 32 n. 3 (1st Cir. 1987) (confusing parodies “implicate . . . the legitimate commercial and consumer protection objectives of trademark law”).

In reviewing the district court's grant of summary judgment in Defendants' favor on Plaintiff's ACPA claims,<sup>275</sup> the Tenth Circuit noted that UTLM had failed to prove that UTAH LIGHTHOUSE was distinctive at the time Wyatt registered his domain names.<sup>276</sup> However, it found that ". . . utahlighthouse.com and utahlighthouse.org [were] virtually identical to the trademark with the minor exceptions of spacing between 'Utah' and 'Lighthouse,' and the addition of the .com and .org."<sup>277</sup> The Tenth Circuit further found that Wyatt's website constituted a fair use "[b]ecause Wyatt's parody offer[ed] an indirect critique and lack[ed] an overt commercial purpose."<sup>278</sup> Therefore, it concluded that Wyatt had not acted with a bad faith intent to profit, following "the reasoning of several other courts that a website that critiques a product and uses the product's trademark as the website's domain name may be a fair use."<sup>279</sup> In addition, the ACPA's safe harbor exception further shielded Defendants from liability because "Defendants could have reasonably believed that use of the domain name [in a parodic website] was legal."<sup>280</sup> Thus, the Tenth Circuit affirmed the district court's grant of summary judgment in Defendants' favor on Plaintiff's ACPA claim.<sup>281</sup>

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275. To prevail on its ACPA claim, UTLM had to demonstrate "(1) that its trademark, UTAH LIGHTHOUSE, was distinctive at the time of registration of the domain name; (2) that the domain names registered by Wyatt . . . are identical or confusingly similar to the trademark; [and] (3) that Wyatt used or registered the domain names with a bad faith intent to profit." *Utah Lighthouse*, 527 F.3d at 1057.

276. *Id.* at 1051.

277. *Id.* at 1057–58.

278. *Id.* at 1058.

279. *Id.*; see *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004) (finding that consumer registering domain name "lucas-nursery.com" and complaining about nursery's work was not liable under ACPA); *TMI, Inc. v. Maxwell*, 368 F.3d 433 (5th Cir. 2004) (holding that a website with the purpose of informing other consumers did not create the harm the ACPA intended to eliminate); *Mayflower Transit, L.L.C. v. Prince*, 314 F. Supp. 2d 362 (D.N.J. 2004) (finding no ACPA liability where Defendant registered "mayflowervanline.com" since the totality of the circumstances demonstrated that registrant's motive was to express dissatisfaction in doing business with the mark's owner).

280. *Utah Lighthouse*, 527 F.3d at 1059. The ACPA's safe harbor exception provides that no bad faith intent can be found if "the court determines that the person believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." See 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

281. *Utah Lighthouse*, 527 F.3d at 1059.

## I. ELEVENTH CIRCUIT

In *Southern Grouts & Mortars, Inc. v. 3M Company*, Plaintiff Southern Grouts & Mortars (Southern) sued Defendant 3M Company (3M), a competitor in the swimming pool finishing industry.<sup>282</sup> Southern owned the trademark “DIAMOND BRITE,” but 3M had earlier registered the www.diamondbrite.com domain name.<sup>283</sup> Like Southern, 3M also had trademark rights in the DIAMOND BRITE mark but only in connection with “electronically controlled display panels and signs,” not pool products.<sup>284</sup> Even though 3M’s trademark rights in the DIAMOND BRITE mark expired, 3M continued its re-registration of the www.diamondbrite.com domain name.<sup>285</sup> The website at that domain briefly displayed content but ceased doing so after April 2002.<sup>286</sup> 3M defended its re-registration of the domain name, explaining that it wanted “to avoid the risk that a competitor of its . . . products would use it to create consumer confusion as to the source of its products.”<sup>287</sup> Southern, which registered and used www.diamondbrite.cc for its business, subsequently sued 3M for ACPA and unfair competition violations.<sup>288</sup> The district court awarded summary judgment for 3M, finding that Southern had failed to show that 3M had a bad faith intent to profit from its use of the DIAMOND BRITE mark and failed to show that 3M used the mark in commerce and failed to produce sufficient evidence of a likelihood of confusion.<sup>289</sup>

On appeal the Eleventh Circuit analyzed each of the ACPA’s nine bad-faith-intent-to-profit factors and found that five of them weighed in 3M’s favor, two of them weighed in Southern’s favor, and the remaining two factors, including the fair use factor, did not apply.<sup>290</sup> The Court noted that the Se-

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282. *Southern Grouts & Mortars, Inc. v. 3M Company*, 575 F.3d 1235, 1238 (11th Cir. 2009).

283. *Id.*

284. *Id.*

285. *Id.*

286. *Id.* at 1239.

287. *Id.* at 1238.

288. Southern’s unfair competition claims against 3M were based upon 15 U.S.C. § 1125(a). *Id.*

289. *Id.* at 1243, 1249. The additional basis for the district court’s award of summary judgment in 3M’s favor was the court’s finding that Southern’s ACPA claims were barred by laches. *Id.*

290. The Eleventh Circuit found that the third, fifth, sixth, seventh, and eighth factors weighed in 3M’s favor. The first and ninth factors weighed in

nate Report which accompanied the ACPA was silent “about those who hold onto a domain name to prevent a competitor from using it.”<sup>291</sup> The Court concluded that Southern had “not established that 3M had any intention to profit from the diamondbrite.com website” and affirmed the district court’s award of summary judgment in 3M’s favor on the ACPA claim.<sup>292</sup>

#### V. WHY THE UNITED STATES SUPREME COURT SHOULD INTERPRET THE FAIR USE DEFENSE OF FREE SPEECH OR PARODY UNDER THE ACPA.

Since the ACPA’s enactment in 1999, only a handful of federal appellate courts have decided ACPA cases involving a fair use defense asserted by an alleged cybersquatter. While few in number, these decisions have resulted in inconsistent criteria regarding the standard as to when a fair use defense of free speech or parody will defeat an ACPA claim. Although the United States Supreme Court has previously decided trademark infringement cases,<sup>293</sup> it has yet to grant a petition for a writ of certiorari in a single ACPA case.<sup>294</sup> At least one party has unsuccessfully petitioned the Court to grant it a writ of cer-

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Southern’s favor. As to the second factor, the court found that it was inapplicable to the case because “diamondbrite.com [was] not the legal or identifying name of a person.” It found the fourth factor to be inapplicable as well because the diamondbrite.com domain name was not used for comparative advertising, criticism, comment, or parody purposes. *Id.* at 1249.

291. *Id.* at 1248.

292. *Id.* at 1247. Because the Eleventh Circuit found that Southern had failed to produce sufficient evidence that 3M acted with a bad faith intent to profit, it did not address the district court’s finding that Southern’s ACPA claim was barred by laches. *Id.* at 1249.

293. *See, e.g.,* KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *Hustler Magazine v. Falwell*, 485 U.S. 46 (1988).

294. By statute, the United States Supreme Court may review a case from a federal court of appeals when it grants a writ of certiorari upon the request of any party in a civil case. 28 U.S.C. § 1254 provides that the United States Supreme Court may review cases from the federal appellate courts on either of the following grounds: (1) “[b]y writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree; and (2) [b]y certification at any time by a court of appeals of any question of law in any civil or criminal case as to which instructions are desired, and upon such certification the Supreme Court may give binding instructions or require the entire record to be sent up for decision of the entire matter in controversy.” 28 U.S.C. § 1254 (2008).

tiorari in an ACPA case.<sup>295</sup> As described below, the time is ripe for the United States Supreme Court to interpret the standard of when the fair use defense of free speech or parody will preclude a finding of liability under the ACPA.

The inconsistent criteria articulated by the circuit courts on the ACPA's fair use defense is most evident in the Fourth and Tenth Circuits. In the 2008 case of *Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research*, the Tenth Circuit held that in order for a parody to be considered a "fair use" and defeat an ACPA claim, it must: (1) not cause a likelihood of public confusion as to the source of the mark;<sup>296</sup> and (2) be immediately apparent to anyone visiting the *parodic website* that it was not the trademark owner's website due to the differences in context.<sup>297</sup> However, the criteria from other circuits courts was *not whether the website's content* immediately conveyed to a viewer that it was the not the trademark owner's website. Rather, at least one circuit court has held that the key issue is whether the *domain name itself* conveys that it is a parody.<sup>298</sup>

For example, the Fourth Circuit's criteria for determining whether something is a parody, and thus can be considered a fair use, is whether the *domain name at issue* conveys two simultaneous, yet contradictory, messages. First, that it *is* the original. Second, that it is *not* the original and is, instead, a parody.<sup>299</sup> In *People for the Ethical Treatment of Animals v.*

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295. *Sporty's Farm, L.L.C.* unsuccessfully sought a writ of certiorari from the United States Supreme Court. Brief of Petitioner-Appellant, *Sporty's Farm, L.L.C., v. Sportsman's Mkt., Inc.*, 202 F.3d 489 (2000) (No. 99-1752) 2000 WL 34013464, *cert. denied*, 530 U.S. 1262 (2000). In its petition, *Sporty's Farm* argued that the Second Circuit, the first federal appellate court to interpret the ACPA had "committed two errors." First, the Second Circuit had improperly substituted its factual finding for those of the district court under a set of standards, specifically the ACPA, not in effect at the time the district court issued its decision. Second, it argued that the Second Circuit had improperly taken *Sporty's Farm's* property in violation of the Fifth Amendment. *Id.*

296. *Utah Lighthouse Ministry v. Found. for Apologetic Info. and Research*, 527 F.3d 1045, 1055 (10th Cir. 2008) (quoting *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987)).

297. *Id.* The Tenth Circuit noted that "[t]he district court [properly] determined that the Wyatt website was a parody because it would be immediately apparent to anyone visiting the Wyatt website that it was not the UTLM website due to the differences in content." *Id.* at 1056-1057 (emphasis added).

298. *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001) (quoting *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc.*, 886 F.2d 490, 494 (2d Cir. 1989)).

299. *Id.* (emphasis in original).

*Doughney*, the Fourth Circuit rejected Doughney's argument in which he asked the court to "consider his website [at www.peta.org] in conjunction with the domain name [www.peta.org] because, together, they purportedly parody PETA."<sup>300</sup> The Fourth Circuit found that Doughney's www.peta.org domain name conveyed the first message (that it was the original) but that "the second message [that it was not the original but is instead a parody, was] conveyed only when the viewer read[] the content of the website."<sup>301</sup> Because "an internet user would not realize that they were not on an official PETA web site until after they had used PETA's mark to access the web page 'www.peta.org,'" the Fourth Circuit held that Doughney's use of www.peta.org was not a parody and found him liable for violating the ACPA.<sup>302</sup> Such criteria conflicts with the criteria rendered by the Tenth Circuit.

There also appears to be an inconsistency within the Fourth Circuit itself as to the standard for the fair use defense in an ACPA case. For example, given the Fourth Circuit's criteria above in *PETA*, if a parody relies on a user visiting a website to determine whether he or she is on an official website sponsored by a mark holder, then alleged cybersquatter, Christopher Lamparello, in *Lamparello v. Falwell*, should have lost. Instead, the Fourth Circuit entered summary judgment in favor of Lamparello even though Lamparello registered the domain name, www.falwell.com and created a website at that domain to criticize Reverend Jerry Falwell.<sup>303</sup> Certainly, the

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300. *Id.* at 366.

301. *Id.* at 367. While Doughney argued that his website content delivered the second required message needed to successfully constitute a parody, the Fourth Circuit disagreed, stating that it is the domain name (and not the website content) which must convey the first and second simultaneous, yet contradictory, messages. *Id.* at 366; *see also* Morrison & Foerster LLP v. Wick, 94 F. Supp. 2d 1125, 1134–35 (D. Colo. 2000) (contending that defendant's use of plaintiffs' mark in domain name "does not convey two simultaneous and contradictory messages" because "[o]nly by reading through the content of the sites could the user discover that the domain names are an attempt at parody"); Planned Parenthood Federation of Am., Inc. v. Bucci, 97 Civ. 0629, 1997 U.S. Dist. LEXIS 3338, at \*33 (S.D.N.Y. Mar. 19, 1997), *aff'd*, No. 97-7492, 1998 U.S. App. LEXIS 22179 (2d Cir. Feb. 9, 1998) (rejecting the parody defense because "[s]eeing or typing the 'planned parenthood' mark and accessing the web site are two separate and nonsimultaneous activities").

302. *People for the Ethical Treatment of Animals*, 263 F.3d at 366–67 (quoting *Doughney*, 113 F. Supp. 2d at 921).

303. *Lamparello v. Falwell*, 420 F.3d 309, 322 (4th Cir. 2005).



domain name [www.fallwell.com](http://www.fallwell.com) appears to convey the message that it is the original. However, it does not convey the second message, that it is *not* the original but instead is a parody. Only after one visited the website content at [www.fallwell.com](http://www.fallwell.com) could one determine that Lamparello intended to use [www.fallwell.com](http://www.fallwell.com) as a parody.<sup>304</sup> Therefore, under the Fourth Circuit's criteria in *PETA*, Lamparello's use of [www.fallwell.com](http://www.fallwell.com) should not have been determined to be a fair use, and he should have been held liable for cybersquatting. Instead, Lamparello prevailed in the Fourth Circuit.<sup>305</sup>

Similarly, under the Fourth Circuit's criteria in *PETA*, the alleged cybersquatter in the Tenth Circuit case of *Utah Lighthouse Ministry* should have lost, but instead he prevailed.<sup>306</sup> A user might very well be aware of the UTAH LIGHTHOUSE mark, see the [www.utahlighthouse.org](http://www.utahlighthouse.org) domain name, and reasonably believe that if he or she typed in the domain name, he or she would be visiting a website sponsored by, or affiliated with, UTAH LIGHTHOUSE. Only after arriving at the [www.utahlighthouse.org](http://www.utahlighthouse.org) website would a viewer actually realize that it was not a UTAH LIGHTHOUSE website, but instead was a parody.

This Article has exposed the inconsistent criteria articulated by the circuit courts as to when the fair use defense of free speech or parody will defeat an ACPA claim. Given these inconsistencies, which have the ability to impact the fair use defenses in broader trademark arenas, the United States Supreme Court should interpret the standard as to when a fair use defense of free speech or parody will preclude a finding of liability under the ACPA.

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304. *Id.* at 318.

305. *Lamparello*, 420 F.3d at 322.

306. *Utah Lighthouse Ministry v. Found. for Apologetic Info. and Research*, 527 F.3d 1045, 1059 (10th Cir. 2008).