
ESTABLISHING RIGHTS IN A NEW DOMAIN: DEFINING “REGISTRATION” UNDER THE ACPA*

I. INTRODUCTION

Domain names are a hot commodity. While many users type domain names into their search bars without any passing thought, the few words or phrases that precede a “.com” can be incredibly expensive and important assets. Despite costing only a few dollars to register,¹ domain names have been sold for many millions of dollars. For example, VacationRentals.com was sold for \$35 million,² 360.com for \$17 million,³ insure.com for \$16 million,⁴ and sex.com for \$14 million.⁵ Aside from being a tangible asset, domain names also provide individuals and companies with identity and brand protection. For example, President Donald Trump has registered over 3,600 domain names—both positive domain names that protect him and his brand, like TrumpEmpire.com and TrumpBuilding.org; and negative domain names that protect him from them being used against him, like TrumpMustGo.com and NoMoreTrump.com.⁶

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1. See, e.g., GODADDY, [http://www.godaddy.com/offers/domains?isc=gofd2001aj&mkwid=s4sd4g57e_pcrd.226262874210_pkw_go%20daddy%20price_pmt_e_pdv_c_&aud=\[brand\]&gclid=EA IaIQobChMI9P2iqq-82AIVmrrACh2WDwHSEAAAYASAAEgKC9fD_BwE](http://www.godaddy.com/offers/domains?isc=gofd2001aj&mkwid=s4sd4g57e_pcrd.226262874210_pkw_go%20daddy%20price_pmt_e_pdv_c_&aud=[brand]&gclid=EA IaIQobChMI9P2iqq-82AIVmrrACh2WDwHSEAAAYASAAEgKC9fD_BwE) [perma: <http://perma.cc/PVW3-4P3K>] (last visited May 30, 2018) (offering domain names for \$0.99 a year); HOVER, <http://www.hover.com/domain-pricing> [perma: <http://perma.cc/G87C-PW3L>] (last visited May 30, 2018) (offering domain names from \$9.99 to \$49.00 a year); NAMECHEAP, <http://www.namecheap.com/domains.aspx> [perma: <http://perma.cc/9VXJ-B7JQ>] (last visited May 30, 2018) (offering domain names for \$0.48 a year).

2. Capitalfactory, *Lessons Learned from Brian Sharples, Founder & CEO of HomeAway*, YOUTUBE (July 28, 2013), <http://www.youtube.com/watch?t=15m19s&v=U6gbCDL02R0> [perma: <http://perma.cc/W9JE-4QWB>].

3. Doug Young, *Qihoo Eyes 360 Brand with Record Domain Buy*, FORBES (Feb. 6, 2015, 7:45 AM), <http://www.forbes.com/sites/dougyoung/2015/02/06/qihoo-eyes-360-brand-with-record-domain-buy/#2aa6f0316528> [perma: <http://perma.cc/5SS2-SFG8>].

4. Chris Irvine, *Top 10 Most Expensive Domain Names*, TELEGRAPH (Mar. 10, 2010, 11:08 AM), <http://www.telegraph.co.uk/technology/news/7412544/Top-10-most-expensive-domain-names.html> [perma: <http://perma.cc/6TBA-MXAK>].

5. *Id.*

6. Jose Pagliery & Tal Yellin, *Trump Has 3,643 Websites that Range from TrumpEmpire.com to TrumpFraud.org*, CNN:TECH (Feb. 21, 2017, 4:07 PM), <http://money.cnn.com/2017/02/20/technology/trump-websites/index.html> [perma: <http://perma.cc/7NW5-MMKX>]; see also Avi Selk, *Trump's 3,000 Websites — And What They Say About His Rise to Power*, WASH. POST (Feb. 22, 2017), http://www.washingtonpost.com/news/the-fix/wp/2017/02/22/trumps-3000-websites-and-what-they-say-about-his-rise-to-power/?utm_term=.4647b79b3f8f [perma: <http://perma.cc/H6XU-64Y5>].

Today, fights over domain name ownership are common.⁷ Amy Schumer,⁸ FIFA,⁹ Goldenvoice (the organizer of the Coachella Music Festival),¹⁰ and Equifax,¹¹ to name just a few, are recent filers of domain name complaints. These complaints generally allege a “cybersquatting” claim.¹² Cybersquatting occurs when an individual or entity knowingly registers a domain name consisting of a well-known name with the intent of ransoming it to its rightful owner or with the intent to divert business away from the name holder.¹³ For example, People for the Ethical Treatment of Animals (PETA), an animal rights organization, brought suit against an individual who registered PETA.org because this domain name confused internet users by diverting them to his site, one that espoused a conflicting philosophy, People Eating Tasty Animals.¹⁴

Legal remedies are now in place to resolve these issues. But in 1995, when

7. Press Release, World Intellectual Prop. Org. [WIPO], WIPO Cybersquatting Cases Hit Record in 2016, Driven by New Top-Level Domain Names (Mar. 16, 2017), http://www.wipo.int/pressroom/en/articles/2017/article_0003.html [perma: <http://perma.cc/8HYA-G5U6>].

8. Andrew Allemann, *Amy Schumer Files Cybersquatting Complaint Against GoDaddy's NameFind*, DOMAIN NAME WIRE (Sept. 27, 2017), <http://domainnamewire.com/2017/09/27/amy-schumer-files-cybersquatting-complaint-godaddys-namefind/> [perma: <http://perma.cc/ZP6Q-2P5G>] (contending Amy-Schumer.com).

9. Andrew Allemann, *FIFA Wins FIFA.net Cybersquatting Claim*, DOMAIN NAME WIRE (Jan. 31, 2017), <http://domainnamewire.com/2017/01/31/fifa-wins-fifa-net-cybersquatting-claim/> [perma: <http://perma.cc/JPA9-LJT8>] (contending FIFA.net).

10. Daniel Kreps, *Coachella Sues Hoodchella over Festival Name*, ROLLING STONE (Jan. 30, 2016), <http://www.rollingstone.com/music/news/coachella-sues-hoodchella-over-festival-name-20160130> [perma: <http://perma.cc/4TS3-6X78>] (contending Hoodchella.com).

11. Andrew Allemann, *Equifax Gets Control of 138 Equifax Security Domain Names*, DOMAIN NAME WIRE (Nov. 14, 2017), <http://domainnamewire.com/2017/11/14/equifax-gets-control-138-equifax-security-domain-names/> [perma: <http://perma.cc/KSG9-FF4K>] (explaining that Equifax recovered over 138 names that were registered following its data breach in 2017).

12. A cybersquatter is one “who knowingly obtains from a registrar a domain name consisting of the trademark or service mark of a company for the purpose of ransoming the right to that domain name back to the legitimate owner for a price.” 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25A:21 (5th ed.), Westlaw (database updated Dec. 2017).

13. See *id.* Other variations of the term have been offered. See, e.g., *DaimlerChrysler v. Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004) (“[C]ybersquatting’ occurs when a person other than the trademark holder registers the domain name of a well known trademark and then attempts to profit from this by either ransoming the domain name back to the trademark holder or by using the domain name to divert business from the trademark holder to the domain name holder.”); *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 946 (9th Cir. 2002) (“Cybersquatting is the Internet version of a land grab. Cybersquatters register well-known brand names as Internet domain names in order to force the rightful owners of the marks to pay for the right to engage in electronic commerce under their own name.”); *Sporty’s Farm LLC v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000) (“Cybersquatting involves the registration as domain names of well-known trademarks by non-trademark holders who then try to sell the names back to the trademark owners.”); *About Cybersquatting*, ICANN, <http://www.icann.org/resources/pages/cybersquatting-2013-05-03-en> [perma: <http://perma.cc/DS2Z-CUW9>] (last visited May 30, 2018) (“Cybersquatting is generally bad faith registration of another’s trademark in a domain name.”).

14. *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 362, 367–69 (4th Cir. 2001).

cybersquatting claims first began to arise,¹⁵ no especially effective legal actions were available.¹⁶ Recognizing the gap, Congress, in 1999, enacted the Anticybersquatting Consumer Protection Act (ACPA),¹⁷ which provided a legal remedy for cybersquatting or, as then referred to, the "predatory and parasitical practices"¹⁸ of "cyber-pirates and shady dealers."¹⁹

Specifically, the ACPA prohibits the registering, trafficking in, or using of a domain name with bad faith intent to profit.²⁰ The statute expressly defines "traffics in,"²¹ and an explanation of "use" is offered in the legislative history.²² However, neither the statute nor any other source has defined "register." The lack of authority on the meaning of "register" has led to a circuit split between the Third, Ninth, and Eleventh Circuits.²³ The Ninth Circuit has held that because domain names are property, or a property-like interest, registration includes only the *initial* registration of the domain name.²⁴ In other words, any re-registration of a domain name would not fall within the purview of the ACPA. The Third and Eleventh Circuits, in contrast, have taken the position that because each registration and re-registration of a domain name creates a

15. See, e.g., *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296 (C.D. Cal. 1996), *aff'd*, 141 F.3d 1316 (9th Cir. 1998); *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 CIV. 0629 (KMW), 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998). The mid-1990s were significant because in 1994 Netscape emerged, and it provided users with the first simple web browser to use the Internet. Lily Hay Newman, *Netscape Navigator, Everyone's First Browser, Turns 20 Today*, SLATE: FUTURE TENSE (Oct. 13, 2014, 1:16 PM), http://www.slate.com/blogs/future_tense/2014/10/13/netscape_navigator_browser_created_by_mosaic_communications_corporation.html [perma: <http://perma.cc/DK2D-GWAH>]. To provide a glimpse into the increasing use of the Internet for business, in 1999—when the U.S. Department of Commerce began tracking e-commerce sales—e-commerce sales accounted for only 0.64% of total retail sales. Press Release, U.S. Dep't of Commerce, Retail E-Commerce Sales for the Fourth Quarter of 1999 Reach \$5.3 Billion, Census Bureau Reports (Mar. 2, 2000), <http://www2.census.gov/retail/releases/historical/ecomm/99q4.pdf> [perma: <http://perma.cc/ZD7Q-5ND2>]. Today, retail e-commerce sales account for 9.1% of total sales. Press Release, U.S. Dep't of Commerce, Quarterly Retail E-Commerce Sales: 4th Quarter 2017 (Feb. 16, 2018), http://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf [perma: <http://perma.cc/2CPL-B96H>].

16. See *infra* Part II.B.1 for a discussion of the Federal Trademark Dilution Act, the only available remedy at the time.

17. Anticybersquatting Consumer Protection Act, Pub. L. No. 106-113, § 3002, 113 Stat. 1501A-545, 1501A-545 to -548 (1999) (codified at 15 U.S.C. § 1125).

18. 145 CONG. REC. 15,495 (June 22, 1999) (statement of Sen. Leahy quoting the WIPO).

19. 145 CONG. REC. S7,454 (daily ed. July 12, 1999) (statement of Sen. Hatch).

20. 15 U.S.C. § 1125(d)(1) (2012).

21. *Id.* § 1125(d)(1)(E) ("As used in this paragraph, the term 'traffics in' refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration.")

22. S. REP. NO. 106-140, at 8-9 (1991) ("The Committee intends the prohibited 'use' of a domain name to describe the use of a domain name by the domain name registrant, with the bad-faith intent to profit from the goodwill of the mark of another. The concept of 'use' does not extend to uses of the domain name made by those other than the domain name registrant, such as the person who includes the domain name as a hypertext link on a web page or as part of a directory of Internet addresses.").

23. See *infra* Part II.C.

24. See *infra* notes 123-25, 171-75.

new contract with a registrar, registration must be evaluated using contract law principles.²⁵ That is, registration can include both initial registrations and re-registrations.

This Comment aims to resolve the split by analyzing the ACPA and the motivations underlying it and by applying key property and contract law principles to domain names. It ultimately recommends that the correct lens through which to view the interests of a domain holder in an ACPA dispute is through that of property law. Further, this Comment argues that due to the unique nature of the domain name system and to further the underlying policies of the Act, the statute's use of "registration" must take an expansive definition that encompasses at least initial registrations and re-registrations.

II. OVERVIEW

A. *The Domain Name System*

Domain names are necessary for easy access to the Internet because they provide alphanumeric designations to the electronic address of a website.²⁶ For example, imagine having to type "155.247.166.60" every time you needed to reach Temple.edu's homepage, or "146.197.184.71" whenever you needed to shop for new sneakers on Nike.com. Such a system would make it unreasonably difficult to use the Internet. Therefore, instead of typing "146.197.184.71" into a search engine, most will type Nike.com. The series of numbers is the Internet Protocol (IP) address,²⁷ and Nike.com is the domain name.

A domain name is composed of at least two parts, a top-level domain name and a second level domain name.²⁸ The top-level domain name generally will indicate "a broad class to which the domain name belongs."²⁹ Such classes can include commercial, educational, governmental, or nonprofit organizational entities—respectively, ".com," ".edu," ".gov," and ".org."³⁰ The second level

25. See *infra* notes 151–57.

26. A domain name is "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." 15 U.S.C. § 1127.

27. An IP address is "[t]he communications protocol underlying the Internet; . . . [it] allows networks of devices to communicate over a variety of physical links." *Glossary*, ICANN, <http://www.icann.org/resources/pages/glossary-2014-02-03-en> [perma: <http://perma.cc/2ZKZ-8FKQ>] (last visited May 30, 2018).

28. *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 783 (8th Cir. 2004).

29. Brent R. Cohen & Thomas D. Laue, *Acquiring and Enforcing Security Interests in Cyberspace Assets*, 10 J. BANKR. L. & PRAC. 423, 426 (2001).

30. *Top-Level Domains*, IANA, <http://data.iana.org/TLD/tlds-alpha-by-domain.txt> [perma: <http://perma.cc/X8EL-R9FU>] (last visited May 30, 2018). Each top-level domain is administered by a single entity. Daniel Hancock, Note, *You Can Have It, but Can You Hold It?: Treating Domain Names as Tangible Property*, 99 KY. L.J. 185, 188 (2010–2011). For example, the ".com" domain is administered by Verisign, and the ".gov" domain is administered by the General Services Administration. *Id.*; Gen. Servs. Admin. Office of Info., Integrity & Access, *Welcome, .GOV DOMAIN NAME REGISTRATION SERV.*, <http://www.dotgov.gov/portal/web/dotgov;jsessionid=0cy2XhlZ4jThJ67T1Xy2pw9QgQqNSVJMhPDVjpmfPJSLhCdCtDpWGMN7BTGvlBTw6hV215JLWRKFLv1HbTn>

domain name is unique to the particular website and “frequently contain[s] the corporate or trade name of the domain name holder.”³¹ The “Temple” or “Nike” portion of a web address is the second level domain name.

When you search Nike.com, your search engine does not use a domain name to locate the website; rather, the search engine will use the IP address.³² The Domain Name System (DNS), developed in the 1980s, is responsible for this translation function.³³ The DNS is managed by the Internet Corporation for Assigned Names and Numbers (ICANN).³⁴ ICANN is a private nonprofit California corporation that is authorized by the U.S. Department of Commerce to manage the top-level zone of the DNS.³⁵ ICANN accredits “registrars” to sell domain names.³⁶ Registrars are bound by the Registrar Accreditation Agreement (RAA),³⁷ which, among other obligations, requires a registrar to maintain the WHOIS.³⁸ The WHOIS is a publicly available directory containing various pieces of information about a domain name, including the contact information of the registered domain name holder and its expiration date.³⁹

To reserve a domain name, a registrant must apply to register the name with a registrar.⁴⁰ Because domain names are assigned on a “first-come, first-served basis,”⁴¹ the registrar must check to see if the domain name is available.⁴² If a desired domain name is available, the registrant can purchase it. The

ShJ6jpbGmRbcbcyycFfgTQKltnnT2d1ycRnOKsth92XQV!447608491!1474405657394 [perma: <http://perma.cc/MQ57-KVWJ>] (last visited May 30, 2018).

31. Cohen & Laue, *supra* note 29, at 427.

32. Steven Blackerby, Note, *Flat Broke and Busted, but Can I Keep My Domain Name? Domain Name Property Interests in the First, Fifth, and Eleventh Circuits*, 11 J. INTEL. PROP. L. 117, 121 (2003).

33. Cohen & Laue, *supra* note 29, at 425.

34. Kathleen E. Fuller, *ICANN: The Debate over Governing the Internet*, DUKE L. & TECH. REV., Feb. 2001, at 2 ¶¶ 7–8.

35. *Id.* ¶¶ 1, 8; *Glossary, supra* note 27.

36. *Information for Registrars and Registrants*, ICANN, <http://www.icann.org/resources/pages/registrars-0d-2012-02-25-en> [perma: <http://perma.cc/PXU5-YLNL>] (last visited May 30, 2018).

37. *2013 Registrar Accreditation Agreement*, ICANN (June 27, 2013), <http://www.icann.org/resources/pages/approved-with-specs-2013-09-17-en> [perma: <http://perma.cc/4BJL-88JU>] [hereinafter *Registrar Agreement*].

38. *Id.* “The RAA sets out responsibilities for the registrar including maintenance of WHOIS data, submission of data to registries, facilitating public WHOIS queries, ensuring domain name registrants [sic] details are escrowed, and complying with RAA conditions relating to the conclusion of the domain name registration period.” *Domain Name Registration Process*, ICANN WHOIS, <http://whois.icann.org/en/domain-name-registration-process> [perma: <http://perma.cc/WNX8-UL28>] (last visited May 30, 2018).

39. *WHOIS Primer*, ICANN WHOIS, <http://whois.icann.org/en/primer> [perma: <http://perma.cc/LU35-HZKL>] (last visited May 30, 2018).

40. *Domain Name Registration Process, supra* note 38.

41. *Sporty’s Farm LLC v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000) (explaining that each domain name will be unique). Today, there are approximately 299 million registered domain names. Press Release, Verisign, Internet Grows to 299 Million Domain Names in the Third Quarter of 2015 (Dec. 17, 2015), <http://investor.verisign.com/releasedetail.cfm?releaseid=947518> [perma: <http://perma.cc/V672-4VQT>].

42. *What Does ICANN Do?*, ICANN, <http://www.icann.org/resources/pages/what-2012-02-25-en> [perma: <http://perma.cc/54NT-HRMV>] (last visited May 30, 2018).

registrant will be required to enter into a contract with the registrar.⁴³ The domain name contract⁴⁴ for the particular domain name will establish the term of use for that name.⁴⁵

So long as a domain name holder holds the contract, she “owns the rights to use that registration.”⁴⁶ When the contract’s expiration date approaches, the registrant can renew the contract.⁴⁷ A registrant can also sell his or her domain name.⁴⁸ As discussed below, the rights to re-register and sell domain names are not unlimited.⁴⁹ Under certain conditions, a re-registration or a sale of a domain can invoke civil penalties.⁵⁰

B. *Protecting the Asset*

During the first half of 2017 alone, over \$217 billion in sales were conducted over the Internet.⁵¹ Domain names are valuable because of the reduced transaction costs—they allow consumers to quickly locate the brand they are looking for or, alternatively, to locate a type of good or service.⁵² In the former instance, a domain name that identifies a company’s or individual’s brand or product would be most advantageous—like Nike.com or Apple.com.⁵³ In the latter instance, a domain name that broadly defines a good or service would be most effective at attracting consumers—like Loans.com or Cars.com.⁵⁴

43. *Domain Name Registration Process*, *supra* note 38.

44. See, e.g., *GoDaddy Domain Name Registration Agreement*, GODADDY, http://www.godaddy.com/agreements/showdoc.aspx?pageid=REG_SA&isc=gofd2001aj [perma: <http://perma.cc/7GWS-SXEK>] (last revised Jan. 24, 2018); *Namecheap, Inc. Registration Agreement*, NAMECHEAP, <http://www.namecheap.com/legal/domains/registration-agreement.aspx> [perma: <http://perma.cc/V85G-EBW6>] (last visited May 30, 2018); *Domain Name Registration Agreement*, SHOPIFY, http://app.shopify.com/legal/domain_registration_agreement.html [perma: <http://perma.cc/L37B-TTE8>] (last visited May 30, 2018). But see *infra* notes 258–87 for a discussion about how the registrar-registrant agreement is restricted by the agreement between ICANN and the registrar.

45. ICANN, BEGINNER’S GUIDE TO DOMAIN NAMES 3 (2010), <http://www.icann.org/en/system/files/files/domain-names-beginners-guide-06dec10-en.pdf> [perma: <http://perma.cc/WQG5-56H4>] (explaining that registrars offer contractual terms of one to ten years).

46. *Id.* at 12.

47. *Id.* at 3, 6, 9.

48. *Id.* at 12.

49. See *infra* Part II.B for a discussion about how domain name sales are prohibited when they occur in bad faith.

50. See *infra* notes 91–94 and accompanying text for a discussion of when damages are available.

51. Press Release, U.S. Dep’t of Commerce, Quarterly Retail E-Commerce Sales: 2nd Quarter 2017 (Aug. 17, 2017), <http://www2.census.gov/retail/releases/historical/ecommm/17q2.pdf> [perma: <http://perma.cc/8PR7-259V>].

52. *Interactive Prods. Corp. v. a2z Mobile Office Sols., Inc.*, 326 F.3d 687, 691 (6th Cir. 2003).

53. See *id.* (“An Internet user will often begin by guessing the domain name, especially if there is an obvious domain name to try. . . . [And they] often correctly assume that the domain name of a particular company’s website will be the company name followed by ‘.com.’”).

54. *Id.* at 691–92 (“A web surfer’s second option when he does not know the domain name is to use an Internet search engine. When a keyword is entered, the search engine processes it to generate a . . . list of web pages (ideally relating to the entered keyword). . . . Search engines usually look for

To be protectable, a second level domain name must encompass a trademark.⁵⁵ A trademark is "any word, name, symbol, or device, or any combination thereof" that is used by an entity to identify and distinguish its goods from goods manufactured by others.⁵⁶ Courts recognize four categories of trademarks: generic marks,⁵⁷ descriptive marks,⁵⁸ suggestive marks,⁵⁹ and arbitrary and fanciful marks.⁶⁰

Second level domain names that incorporate a generic term, like "cars" or "loans," will not be protectable as a trademark because they merely refer "to the genus of which the particular product is a species."⁶¹ However, second level domain names that incorporate descriptive,⁶² suggestive, or arbitrary or fanciful terms—like Nike or Apple—are eligible for protection, as they are capable of performing the trademark function, that is, identifying the source of the good or service.⁶³

Thus, if some entity has cybersquatted on a domain name and the domain name has a trademark-protected element, the domain name holder can pursue remedial options through a few statutory schemes: (1) the Federal Trademark Dilution Act, (2) the Uniform Domain-Name Dispute-Resolution Policy, or (3) the Anticybersquatting Consumer Protection Act.⁶⁴

keywords in places such as domain names, [and] actual text on the web page . . ."); *Panavision Int'l, L.P. v. Toepfen*, 945 F. Supp. 1296, 1299 (C.D. Cal. 1996) (stating that "having a known or deducible domain name is important to companies seeking to do business on the Internet, as well as important to consumers who want to locate those businesses' web sites"), *aff'd*, 141 F.3d 1316 (9th Cir. 1998).

55. See *infra* Part II.B and accompanying text describing the available remedial routes a claimant can seek, each requiring that the mark in the domain name to be protectable by trademark law.

56. 15 U.S.C. § 1127 (2012).

57. A generic mark is "one that refers, or has come to be understood as referring, to the genus of which the particular product is a species." *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

58. Descriptive terms are those that describe the ingredients, qualities, or characteristics of the goods or service. *Cicena Ltd. v. Columbia Telecomms. Grp.*, 900 F.2d 1546, 1550 (Fed. Cir. 1990). They are protectable when they acquire secondary meaning, or, in other words, "the public associates the product with a source rather than with the product itself." *Id.*; *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 529 (1924). This is because the term has then been endowed "with the good will adhering to [the trademark owner's] enterprise." *Abercrombie*, 537 F.2d at 10.

59. Suggestive terms are those that require the consumer to exercise his or her imagination, thought, and perception to reach a conclusion as to the nature of goods, and they are protectable without proof of secondary meaning. *Vision Ctr. v. Opticks, Inc.*, 596 F.2d 111, 115 (5th Cir. 1979); *Abercrombie*, 537 F.2d at 11.

60. Arbitrary and fanciful terms are terms that are "are totally unrelated to the product" and are protectable without proof of secondary meaning. *Ashley Furniture Indus., Inc. v. SanGiacomo N.A. Ltd.*, 187 F.3d 363, 369 (4th Cir. 1999); *Abercrombie*, 537 F.2d at 11.

61. *Abercrombie*, 537 F.2d at 9.

62. Descriptive marks are only protectable if they are distinctive. See *supra* note 58 for an explanation of when a descriptive mark is distinctive and protectable.

63. See 15 U.S.C. § 1125(d)(1)(A) (2012). Source identification refers to the ability of a mark, in the minds of the public, to "identify the product's source rather than the product itself." *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 205–06 (2000).

64. See *infra* notes 65–102 and accompanying text.

1. Federal Trademark Dilution Act

The Federal Trademark Dilution Act (FTDA) was one of the few statutory remedies that a claimant could assert until 2000, when remedies tailored to the issue of cybersquatting were established.⁶⁵ “The FTDA protect[s] famous marks from a reduction in their capacity” of their distinctiveness.⁶⁶ To prevail on a dilution claim, a claimant must show, among other elements, that the mark is famous and that the defendant is making commercial use of the mark in commerce.⁶⁷

These two elements erected barriers for plaintiffs because case law established that registration of a domain name, without more, was not a commercial use and therefore not within the prohibitions of the FTDA.⁶⁸ Thus, prior to the FTDA’s enactment, a cybersquatter would not be liable if he registers a domain name in bad faith and does not offer to sell the domain name but, rather, waits for the mark holder to offer to purchase the domain.⁶⁹ Asserting a cause of action under the FTDA also proved to be “an ill fit for

65. See *infra* Parts II.B.2 and II.B.3 for a discussion of the Uniform Dispute Resolution Policy and the Anticybersquatting Consumer Protection Act.

66. Jennifer Files Beerline, Note, *Anti-Dilution Law, New and Improved: The Trademark Dilution Revision Act of 2006*, 23 BERKELEY TECH. L.J. 511, 516 (2008).

67. *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 118 (2d Cir. 2006). Under § 1125, dilution can take two forms: dilution by blurring and dilution by tarnishment. See § 1125(c). Dilution by blurring occurs when an association arises “from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of a famous mark.” *Id.* § 1125(c)(2)(B). Dilution by tarnishment occurs when an association arises “from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” *Id.* § 1125(c)(2)(C). To show that dilution occurred,

a plaintiff must show that “(1) its mark is famous; (2) the defendant is making commercial use of the mark in commerce; (3) the defendant’s use began after the mark became famous; and (4) the defendant’s use of the mark dilutes the quality of the mark by diminishing the capacity of the mark to identify and distinguish goods and services.”

See *Louis Vuitton Malletier*, 454 F.3d at 118 (quoting *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 448–49 (2d Cir. 2004)).

68. *TMI, Inc. v. Maxwell*, 368 F.3d 433, 438 (5th Cir. 2004) (entering judgment for the defendant because the allegedly diluted domain name was not commercially used); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 880 (9th Cir. 1999) (holding that the defendants did not commercially use the mark in the domain name because they only used words in the domain name that “happen[ed] to be trademarks for their non-trademark value”); *Panavision Int’l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1303 (C.D. Cal. 1996), *aff’d*, 141 F.3d 1316 (9th Cir. 1998). The *Panavision* court, however, found that Toeppen’s business in registering domain names and selling them to trademarks owners constituted commercial use. *Id.* “In this instance, the defendant’s conduct fell within the ambit of the statute because he attempted to sell the trademarked domain name.” Christopher G. Clark, Note, *The Truth in Domain Names Act of 2003 and a Preventative Measure to Combat Typosquatting*, 89 CORNELL L. REV. 1476, 1494 (2004).

69. Minqin Wang, Note, *Regulating the Domain Name System: Is the “.biz” Domain Name Distribution Scheme an Illegal Lottery?*, 2003 U. ILL. L. REV. 245, 253–54 (“Although case law expands the definition of ‘commercial use’ to include an attempt to sell a domain name to the trademark holder, cybersquatters are able to escape trademark dilution liability by warehousing and trafficking in a domain name and avoiding offering a domain name for sale back to the trademark holder.” (footnote omitted)).

cybersquatting"⁷⁰ because many claimants could not prove the requisite degree of fame.⁷¹

Therefore, although in unique circumstances a dilution claim could provide a viable remedy,⁷² in many instances it failed because cybersquatters could evade meeting statutory definitions established by case law.⁷³ The Uniform Domain-Name Dispute-Resolution Policy and the Anticybersquatting Consumer Protection Act were developed to more effectively address cybersquatting claims.⁷⁴

2. Uniform Domain-Name Dispute-Resolution Policy

The Uniform Domain-Name Dispute Resolution Policy (UDRP), implemented in 2000, is a mandatory, contractually based "arbitration-like process"⁷⁵ that is incorporated into the registration agreement between a registrant and registrar.⁷⁶ The disputes are conducted before an administrative dispute service provider of the complainant's choice, but that provider must also be approved by ICANN.⁷⁷ This procedure was established to offer an "effective, predictable alternative to court litigation for rights holders."⁷⁸ Unlike the FTDA,

70. Sean Price, Note, *A Reasonable Rendition of Registration: Gopets v. Hise, Schmidheiny v. Weber, and Congressional Intent*, 22 DEPAUL J. ART, TECH. & INTELL. PROP. L. 449, 454 (2012).

71. See, e.g., *Avery Dennison Corp.*, 189 F.3d at 876–77 (holding that the trademarks in the domain names *avery.net* and *dennison.net*, though distinctive, were not sufficiently famous to qualify for protection); *New World Sols., Inc. v. NameMedia Inc.*, 150 F. Supp. 3d 287, 322–23 (S.D.N.Y. 2015) (granting the defendant's motion for summary judgment because the claimant's mark, *New World Solutions*, did not meet the requisite degree of fame as required by the FTDA); *GMA Accessories, Inc. v. Croscill, Inc.*, No. 06 Civ. 6236(GEL), 2008 WL 591803, at *10 (S.D.N.Y. Mar. 3, 2008) (dismissing the claimant's dilution claim because the mark, *Charlotte*, was not sufficiently famous).

72. See, e.g., *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (granting plaintiff summary judgment on Dilution Act claim); *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1241 (N.D. Ill. 1996) (granting plaintiff summary judgment on Dilution Act claim); *Panavision*, 945 F. Supp. at 1306 (granting plaintiff summary judgment on Dilution Act claim).

73. S. REP. NO. 106-140, at 16 (1999) (noting that "cybersquatters have been largely successful in evading the case law developed under the Federal Trademark Dilution Act").

74. See *infra* Parts II.B.2 and II.B.3 for a discussion of the effectiveness of the Uniform Domain-Name Dispute Resolution Policy and Anticybersquatting Consumer Protection Act. See also MCCARTHY, *supra* note 12, § 25A:21; Julia Hörnle, *The Uniform Domain Name Dispute Resolution Procedure: Is Too Much of a Good Thing a Bad Thing?*, 11 SMU SCI. & TECH. L. REV. 253, 254 (2008) ("The main consideration in the design of the UDRP was to create a convenient, cost-effective and fast procedure to combat cybersquatting.").

75. A. Michael Froomkin, *ICANN's "Uniform Dispute Resolution Policy"—Causes and (Partial) Cures*, 67 BROOK. L. REV. 605, 608 (2002).

76. See *Registrar Agreement*, *supra* note 36, at para. 3.8.

77. *List of Approved Dispute Resolution Service Providers*, ICANN, <http://www.icann.org/resources/pages/providers-6d-2012-02-25-en> [perma: <http://perma.cc/ZRD9-U2KP>] (last visited May 30, 2018) (noting that complainants may choose from the Asian Domain Name Dispute Resolution Centre, National Arbitration Forum, WIPO, the Czech Arbitration Court Arbitration Center for Internet Disputes, and the Arab Center for Domain Name Dispute Resolution).

78. Tenesa S. Scaturro, Note, *The Anticybersquatting Consumer Protection Act and the Uniform Domain Name Dispute Resolution Policy: The First Decade: Looking Back and Adapting Forward*, 11

the UDRP does not require the mark to be famous or to be used in commerce⁷⁹—the two big barriers for an FTDA claim.⁸⁰

The UDRP allows parties to challenge domain name registrations when a complainant can satisfy three elements: (1) the defendant's domain name is identical or confusingly similar to a trademark or service mark in the complainant's domain name, (2) the domain name holder has no rights or legitimate interests in respect of the domain name, and (3) the domain name was registered and is being used in bad faith.⁸¹ If a claimant is successful, the remedy either is the transfer of the domain name registration to the claimant or cancellation of the domain name.⁸²

Ostensibly, all domain name ownership disputes must be resolved through the UDRP process.⁸³ However, several instances may arise when a UDRP proceeding will be declined to be heard by a panel, bypassed, or overturned. First, a UDRP panel may decline to hear a proceeding if its case is "beyond the scope of disputes intended to be resolved under the Policy."⁸⁴ Second, Provision 4(k) of the UDRP allows claimants or the domain name holders to bypass a UDRP proceeding before the proceeding commences.⁸⁵ The policy also allows a

NEV. L.J. 877, 890 (2011) (quoting Memorandum from Erik Wibers, Dir., WIPO Arbitration & Mediation Ctr., to Rod Beckstrom, CEO & President, WIPO and Peter Dengate-Thrush, Chairman Bd. Dirs., WIPO (Mar. 26, 2010), <http://www.wipo.int/export/sites/www/amc/en/docs/icann260310rap.pdf> [perma: <http://perma.cc/UN9B-8WDH>]).

79. *Id.* at 891 (stating the elements that must be proven under the UDRP).

80. *See supra* Part II.B.1.

81. *Uniform Domain Name Dispute Resolution Policy*, ICANN (Oct. 24, 1999), <http://www.icann.org/resources/pages/policy-2012-02-25-en> [perma: <http://perma.cc/Q7PR-2UUH>] [hereinafter *Uniform Dispute Resolution Policy*]. Regarding the third element, the UDRP states that bad faith can be evidenced by a showing that (1) the domain name holder acquired the domain name to sell, rent, or transfer the domain name for momentary gain; or (2) the domain name holder registered the domain name in order to prevent the complainant from using the mark; or (3) the domain name holder registered the domain name in order to disrupt the complainant's business; or (4) the domain name holder registered the domain name in order to intentionally attract, for commercial gain, Internet users to their online location, by creating a likelihood of confusion between the complainant's online location and the holder's online location. *Id.*

82. *Id.*

83. *Id.*

84. *See CNA Fin. Corp. & Allstate Ins. Co. v. Ins. Servs. Plus, Inc.*, Case Nos. D2000-0955, D2000-0956, D2000-0957, Admin. Panel Decision (WIPO Arbitration & Mediation Ctr. Dec. 15, 2000) (Wagoner, Arb.), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0955.html> [perma: <http://perma.cc/JLQ7-R7CD>] (denying the claim because the "factual disputes, questions of credibility of witnesses, and matters of trademark law, as well as other legal issues [that] . . . go considerably beyond the scope of issues that can be fairly resolved on a document-only basis and within the 14 day decision-making deadline"); *see also Alliance Healthcare Servs. Inc. v. [Name redacted] / Whois Agent, Whoisprivacy Prot. Serv. Inc.*, Case No. D2015-1666, Admin. Panel Decision (WIPO Arbitration & Mediation Ctr. Nov. 20, 2015) (Lyon, Arb.), <http://www.wipo.int/amc/en/domains/search/text.jsp?case=D2015-1666> [perma: <http://perma.cc/3UT9-RZNT>] (denying the claim and suggesting that the proceeding be reviewed before a national court because the panel cannot develop the requisite evidentiary record needed to resolve the issue).

85. Chad D. Emerson, *Wasting Time in Cyberspace: The UDRP's Inefficient Approach Toward Arbitrating Internet Domain Name Disputes*, 34 U. BALT. L. REV. 161, 173 (2004) ("Procedurally, this provision enables a domain name registrant to avoid the entire 'mandatory' UDRP process by simply

domain name holder to initiate a lawsuit against a claimant after the proceeding has concluded if the panel determines rules for cancellation or transfer of the domain name.⁸⁶ Third, if a domain name holder challenges the proceeding in court, the UDRP arbitration finding is not entitled to any deference and the "judicial outcome will override the UDRP one."⁸⁷ Thus, depending on the needs of the claimant, pursuing a claim beyond the mandated UDRP proceeding may be beneficial or necessary.

3. Anticybersquatting Consumer Protection Act (ACPA)

If a claim is beyond the scope of UDRP proceeding or Provision 4(k) has been exercised to file a lawsuit in court, the ACPA will be the likely cause of action pursued. The ACPA provides two types of proceedings by which a plaintiff can challenge misuse of a domain name. The first proceeding is under § 1125(d)(1), which allows a domain name holder to bring an action against a person—an *in personam* action—who registers, traffics in, or uses a domain name confusingly similar or identical to a distinctive or famous mark with bad faith intent to profit.⁸⁸ The second proceeding is under § 1125(d)(2)(A), which allows a mark owner to file an *in rem* action against a domain name that is registered with the Patent and Trademark Office (PTO) and that infringes or dilutes a similar mark.⁸⁹ This provision permits a mark owner to seek relief when she cannot establish personal jurisdiction over the current holder or cannot locate the current holder.⁹⁰

In an *in personam* action, an alleged cybersquatter will be liable if that person has a

bad faith intent to profit from that mark . . . [and] registers, traffics in, or uses a domain name that . . . is distinctive at the time of registration of the domain name . . . [or is] a famous mark that is famous at the time

filing a court action . . ."); *Uniform Dispute Resolution Policy*, *supra* note 81.

86. *Uniform Dispute Resolution Policy*, *supra* note 81.

87. *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 26 (1st Cir. 2001); *see also* *Storey v. Cello Holdings, LLC*, 347 F.3d 370, 382–83 (2d Cir. 2003) (holding that a UDRP decision does not have a res judicata effect in federal courts); *Hawes v. Network Sols., Inc.*, 337 F.3d 377, 386–87 (4th Cir. 2003) (holding that federal courts have subject matter jurisdiction over claims brought under the Lanham Act, despite being arbitrated under the UDRP); *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617, 626 (4th Cir. 2003) (stating that the UDRP decision is "not given any deference under the ACPA"); *Dluhos v. Strasberg*, 321 F.3d 365, 370–74 (3d Cir. 2003) (holding that UDRP decisions are not entitled to deferential standard of judicial review under the Federal Arbitration Act). Professor Chad D. Emerson argues that:

This presents a real credibility problem for the *UDRP*. Though the *UDRP* claims to be "mandatory"—and in fact provides for relief in the form of a domain name transfer or cancellation—there is little incentive for investing time or money in the *UDRP* action once it becomes clear that the registrant will contest the matter because the registrant can easily render the *UDRP* ruling useless by filing a court action within the prescribed time.

Emerson, *supra* note 85, at 174 (footnote omitted).

88. Anticybersquatting Consumer Protection Act, 5 U.S.C. § 1125(d)(1) (2012).

89. *Id.* § 1125 (d)(2)(A).

90. *Id.* § 1125 (d)(2)(A)(ii).

of registration of the domain name.⁹¹

The statute enumerates nine nonexhaustive factors to consider in determining bad faith.⁹² If bad faith and the other elements of the statute are established, the remedies include “forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark”⁹³ and damages.⁹⁴

The *in rem* action permits a mark owner to pursue litigation where the claimant cannot establish *in personam* jurisdiction over the defendant⁹⁵ or where, through due diligence, the owner cannot find the defendant.⁹⁶ The *in rem* provision is not applicable to all domain names.⁹⁷ It applies only to those domain names that are registered with the PTO or those that qualify for protection under § 1125(a) or § 1125(c)—the infringement and dilution provisions.⁹⁸ The remedies available to a mark owner filing an action *in rem* are more limited—forfeiture, cancellation, or transfer of the domain name to the mark owner.⁹⁹ Damages are not available.¹⁰⁰

In summary, the UDRP and the ACPA are the processes most tailored to disputing cybersquatting actions. While the UDRP may be the preferred route

91. *Id.* § 1125(d)(1)(A)(i)–(ii). The full text of the section on cybersquatter liability states: (1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person—

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

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

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of title 18 or section 220506 of title 36.

Id.

92. *Id.* § 1125(d)(1)(B). The bad faith elements are discussed in the *in personam* section of the ACPA; however, this is a disagreement among courts as to whether the bad faith factors apply to *in rem* actions. Bhanu K. Sadasivan, Note, *Jurisprudence Under the in Rem Provision of the Anticybersquatting Consumer Protection Act*, 18 BERKELEY TECH. L.J. 237, 248–49 (2003).

93. 15 U.S.C. § 1125(d)(1).

94. *See id.* § 1117(a) (allowing a plaintiff to recover defendant’s profits, any damages sustained by the plaintiff, and the costs of the action); *id.* § 1117(d) (allowing a plaintiff to, before final judgment, elect to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$1,000 and not more than \$100,000 per domain name).

95. *Id.* § 1125(d)(2)(A). This provision was enacted because Congress believed that trademark owners faced a “significant problem . . . in the fight against cybersquatting . . . [because] many cybersquatters register domain names under aliases or otherwise provide false information in their registration applications in order to avoid identification and service of process by the mark owner.” S. REP. NO. 106-140, at 10 (1999).

96. 15 U.S.C. § 1124(d)(2)(A).

97. *Id.* § 1125(d)(2)(A)(i).

98. *Id.*; *see also id.* § 1125(a), (c).

99. *Id.* § 1125(d)(2)(D).

100. *See id.* § 1125 (noting that the available remedies are limited only to injunctive relief).

for remedy because it is associated with lower costs and quick resolutions,¹⁰¹ domain name holders (either by choice or by necessity) may find themselves litigating an ACPA claim.¹⁰²

C. *The Circuit Split: Are Domain Names Property?*

This Comment focuses on the portion of the ACPA providing that a domain name holder can be liable if she registers a domain name with bad faith.¹⁰³ The statute does not define "register."¹⁰⁴ Consequently, the Third, Ninth, and Eleventh Circuits have split on the meaning of the term "register" and its derivatives.¹⁰⁵ The following Part presents a summary of the three cases that created this split and two lower courts that have interpreted the decisions.

1. *Schmidheiny v. Weber*—The Third Circuit Includes "Re-registrations"

In 2003, the Third Circuit, in *Schmidheiny v. Weber*,¹⁰⁶ became the first circuit court of appeals to interpret the ACPA's registration element.¹⁰⁷ In *Schmidheiny*, Stephan Schmidheiny, one of the wealthiest individuals in the world,¹⁰⁸ sued Steven Weber for registering schmidheiny.com.¹⁰⁹ Weber first registered schmidheiny.com with Network Solutions¹¹⁰ on February 28, 1999, prior to the enactment of the ACPA.¹¹¹ Weber registered the domain name under Weber Net.¹¹² In June 2000, the domain name was transferred from Network Solutions to a new registrar, Internet Names Worldwide.¹¹³ At around the same time, the named registrant was changed from Weber Net to Famology.com.¹¹⁴ "Weber [was] the President and Treasurer of Famology.com, Inc., and [was] listed as the administrative and technical contact for the

101. See *supra* notes 75–79 and accompanying text.

102. See *supra* notes 83–87.

103. 15 U.S.C. § 1125(d)(1)(A). Recall that an alleged cybersquatter can be liable for registering, trafficking, or using a domain name in bad faith. *Id.*

104. See *id.*

105. Compare, e.g., *Jysk Bed'N Linen v. Dutta-Roy*, 810 F.3d 767, 778 (11th Cir. 2015) (determining that re-registration is encompassed within the meaning of registration under the ACPA), with *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1031 (9th Cir. 2011) (deciding that re-registration refers only to the initial act of registering the domain name), and *Schmidheiny v. Weber*, 319 F.3d 581, 582 (3d Cir. 2003) [hereinafter *Schmidheiny II*] (holding that registration under the ACPA is not limited to initial registration but also includes subsequent re-registrations).

106. 319 F.3d 581 (2003).

107. *Schmidheiny II*, 319 F.3d at 582–83.

108. *Id.* at 581 ("With a net worth of \$3.1 billion, Appellant Stephan Schmidheiny has been ranked among the wealthiest individuals in the world by *Forbes* magazine for the past three years.").

109. *Id.*

110. *Id.* at 583.

111. *Schmidheiny v. Weber*, No. 01-CV-377, 2002 WL 562642, at *3 (E.D. Pa. Feb. 14, 2002), *rev'd*, 319 F.3d 581 (3d Cir. 2003) [hereinafter *Schmidheiny I*].

112. *Schmidheiny II*, 319 F.3d at 583.

113. *Schmidheiny I*, 2002 WL 562642, at *1.

114. See *id.*

schmidheiny.com domain name.”¹¹⁵ In November 2000, Weber sent an email to Schmidheiny offering to sell him the domain name.¹¹⁶ Soon thereafter, Schmidheiny commenced an action under the ACPA.¹¹⁷

The U.S. District Court for the Eastern District of Pennsylvania granted Weber’s motion for summary judgment on the grounds that the first registration of *schmidheiny.com* occurred before the statute became effective.¹¹⁸ The court stated that “the statute references only ‘registrations,’ not ‘re-registrations.’”¹¹⁹ Therefore, the re-registration of *schmidheiny.com* in June 2000 did not fall within the purview of the ACPA.¹²⁰ It added that “the plain meaning of the word ‘registration’ as used by Congress imparts to us no other meaning but the initial registration of the domain name.”¹²¹ The court further added that “if Congress chose to treat re-registrations as registrations, it could have used words appropriate to impart that definition.”¹²²

On appeal, the Third Circuit reversed, holding that registration is not limited to the initial registration.¹²³ The Third Circuit reasoned that if the statute was limited to initial registrations, it would permit “the domain names of living persons to be sold and purchased without the living persons’ consent, ad infinitum, so long as the name was first registered before the effective date of the Act.”¹²⁴ The court stated that “registration” is a “new *contract* at a different registrar and to a different registrant.”¹²⁵ The Third Circuit thus held that registration includes initial registration and re-registration.

2. *GoPets Ltd. v. Hise*—The Ninth Circuit Excludes “Re-registrations”

In 2011, the Ninth Circuit, in *GoPets Ltd. v. Hise*,¹²⁶ disagreed with the Third Circuit and held that domain names are property rights and that registration “refer[s] only to the initial registration” effectively excluding re-registration from the definition of the Act.¹²⁷ In *GoPets*, the defendant, Edward Hise, registered the domain *gopets.com* in his name in 1999.¹²⁸ Hise and his cousin, a veterinarian, had plans to develop a pet owner resource site.¹²⁹ Hise and his brother owned a corporation, Digital Overture, and together performed Internet-related services for clients, registering more than 1,300 domain

115. *Schmidheiny II*, 319 F.3d at 582.

116. *Id.* at 581.

117. *Schmidheiny I*, 2002 WL 562642, at *1.

118. *Id.* at *3.

119. *Id.*

120. *Id.* at *4.

121. *Id.*

122. *Id.*

123. *Schmidheiny II*, 319 F.3d 581, 582 (2003).

124. *Id.* at 583.

125. *Id.* (emphasis added).

126. 657 F.3d 1024 (9th Cir. 2011).

127. *GoPets*, 657 F.3d at 1031.

128. *Id.* at 1026.

129. *Id.* at 1027.

names.¹³⁰

The plaintiff, GoPets Ltd., a virtual game company founded by Erik Bethke, attempted to purchase the domain from the Hise brothers in September 2004.¹³¹ Edward Hise informed him that he was open to selling the domain name and invited Bethke to submit a bid in an auction the Hises were having for the domain name.¹³² Bethke did not respond until October 2004 at which point he offered to pay \$750 for the domain name.¹³³ The Hises did not respond.¹³⁴ In January 2005, Bethke again attempted to purchase the domain name.¹³⁵ Edward Hise did not write back until several months later, stating that he would not sell the domain name "for little or nothing."¹³⁶ Bethke wrote to the Hises in May 2005, offering to purchase the domain for \$100.¹³⁷ He stated that if the Hises did not accept the offer, GoPets Ltd. would file a complaint under the UDRP.¹³⁸

Approximately one year later, in May 2006, GoPets Ltd. filed a UDRP action against Edward Hise with the World Intellectual Property Organization (WIPO), an ICANN-approved administrative dispute resolution service provider.¹³⁹ At the time the WIPO proceeding began, GoPets Ltd. was registered with the U.S. Patent and Trademark Office.¹⁴⁰

In July 2006, the WIPO decided in favor of Edward Hise on the basis that, although gopets.com was confusingly similar to GoPets Ltd.'s mark (its name) WIPO rules only compel the transfer of a disputed domain name if the name was initially registered in bad faith."¹⁴¹ Since Hise registered the domain five years before GoPets Ltd. was founded, gopets.com could not have been registered in bad faith.¹⁴²

Following the WIPO proceeding, Bethke offered to purchase the domain from the Hises for \$40,000.¹⁴³ They responded with a request for \$5 million.¹⁴⁴ Two days after the email was sent, Edward Hise transferred the registration of gopets.com from himself to Digital Overture.¹⁴⁵ The registrar did not change, only the registrant's name changed—from Hise to Digital Overture.¹⁴⁶ The Hises

130. *Id.*

131. *Id.*

132. *Id.*

133. *Id.*

134. *Id.*

135. *Id.*

136. *Id.*

137. *Id.*

138. *Id.*

139. *Id.* at 1028.

140. *Id.* at 1027.

141. *Id.* at 1027–28.

142. *Id.* at 1028.

143. *Id.*

144. *Id.*

145. *Id.*

146. *Id.*

also began registering domain names similar to gopets.com.¹⁴⁷

In March 2007, GoPets Ltd. filed a complaint in the District Court for the Central District of California; the district court granted GoPets Ltd.'s motion for summary judgment.¹⁴⁸

The district court found that because GoPets Ltd. was distinctive at the time that Edward Hise transferred gopets.com from himself to Digital Overture, that transfer of ownership was a "registration" within the meaning of the ACPA.¹⁴⁹ The district court also held that the Hises' registration of the additional domain names violated the ACPA because GoPets Ltd. was distinctive at the time of registration of the additional domains, the additional domain names were confusingly similar to GoPets Ltd.'s mark, and the Hises' registration was done for commercial gain.¹⁵⁰

The Ninth Circuit affirmed the district court's holding as to the additional domain name registration¹⁵¹ but disagreed and reversed the district court's decision as to the registration of gopets.com, the original domain name.¹⁵² The Ninth Circuit first noted that the term "registration" is not defined in the ACPA and that "under any reasonable definition, the initial contract with the registrar constitutes a 'registration.'"¹⁵³ However, the court continued:

[i]t is less obvious which later actions, if any, are also "registrations" . . . [for example] [a]fter registering . . . the registrant can update the registration if her contact or billing information changes. She can switch to "private" registration, where a third party's name is substituted for hers in the public databases of domain registrants. She can switch between registrars, but leave her contact and billing information unchanged. A registrant can change the name of the registrant without changing who pays for the domain, or a registrant can transfer both the domain and payment responsibilities to someone else. Even if the registrant does none of these things, she must still renew the registration periodically. All of these actions could conceivably be described as "registrations" within the meaning of § 1125(d)(1).¹⁵⁴

The Ninth Circuit reasoned that the ACPA should be evaluated in light of "traditional property law" because Edward Hise "could have retained all of his rights to gopets.com indefinitely if he had maintained the registration of the domain name in his own name."¹⁵⁵ The court further reasoned that a domain

147. *Id.* at 1028–29 (registering gopet.mobi, gopets.mobi, gopets.name, gopetssite.com, goingpets.com, gopet.biz, gopet.org, egopets.com, gopets.bz, gopets.ws, gopet.tv, gopet.ws, gopet.bz, gopet.de, gopet.eu, gopet.name, mygopets.com, and igopets.com).

148. *Id.* at 1029.

149. *Id.* at 1030.

150. *Id.* at 1032.

151. *Id.* at 1032–33.

152. *Id.* at 1032.

153. *Id.* at 1030.

154. *Id.* at 1030–31.

155. *Id.* at 1031 (meaning that Hise could have kept the domain name and the rights associated with it indefinitely if he re-registered the domain name each time its term was set to expire).

name holder should not lose his or her right to transfer the domain to another owner because "[t]he general rule is that a property owner may sell all of the rights he holds in property."¹⁵⁶ To hold otherwise—that is, to hold as the Third Circuit did—would make domain names "effectively inalienable," contrary to the intentions of Congress.¹⁵⁷

3. *Jysk Bed'N Linen v. Dutta-Roy*—The Eleventh Circuit Includes "Re-registrations"

In 2015, the Eleventh Circuit, in *Jysk Bed'N Linen v. Dutta-Roy*,¹⁵⁸ "agree[d] with the Third Circuit," holding that registration was not limited to initial or creation registration.¹⁵⁹ In *Jysk Bed'N Linen*, plaintiff Jysk Bed'N Linen alleged that Monosij Dutta-Roy violated the ACPA when he re-registered the domain name *bydesignfurniture.com*.¹⁶⁰

In 1999, Jysk contracted with Dutta-Roy to create an online shopping website for Jysk's products—furniture for the home, office, and patio.¹⁶¹ When Dutta-Roy registered the domain name, Dutta-Roy was instructed to list Jysk as the owner; Dutta-Roy, however, listed himself as the owner.¹⁶² Several years later, Jysk's registration expired and Jysk discovered that it did not own the registration.¹⁶³ Jysk asked Dutta-Roy to register *bydesignfurniture.com* in its name.¹⁶⁴ Dutta-Roy refused and re-registered the domain name, as well as additional similar domain names.¹⁶⁵ Dutta-Roy thereafter offered to transfer the domain names to Jysk in exchange for compensation he believed he was owed pursuant to an alleged "Partnership Agreement."¹⁶⁶ However, no agreement existed.¹⁶⁷

In 2012, Jysk filed a complaint against Dutta-Roy in the Northern District of Georgia.¹⁶⁸ The district court did not discuss whether Dutta-Roy's registration constituted a "registration" within the ACPA.¹⁶⁹ Rather, it assumed that a re-registration fell within the purview of the ACPA and held that Dutta-Roy violated the ACPA because his registration of the similar domain names and his

156. *Id.*

157. *Id.*

158. 810 F.3d 767 (11th Cir. 2015).

159. *Jysk Bed'N Linen*, 810 F.3d at 777.

160. *Id.* at 771–72.

161. *Id.* at 771.

162. *Id.* at 771–72.

163. *Id.* at 772.

164. *Id.*

165. *Id.* (registering *bydesignfurniture.com*, *bydesignfurniture.org*, *bydesignfurnitures.com*, and *bydesign-furnitures.com*).

166. *Id.*

167. *Id.*

168. *Jysk Bed'N Linen v. Dutta-Roy*, No. 1:12-CV-3198-TWT, 2013 WL 11289361 (N.D. Ga. Oct. 22, 2013), *amended by* 2014 WL 61627 (N.D. Ga. Jan. 8, 2014).

169. *See generally id.*

registration of bydesignfurniture.com were done in bad faith.¹⁷⁰

Dutta-Roy appealed to the Eleventh Circuit, contending that his re-registration of bydesignfurniture.com did not violate the ACPA because re-registrations are not “registrations” under the statute.¹⁷¹ The Eleventh Circuit rejected his argument and held that re-registrations fall under the registration hook of the ACPA.¹⁷² The Eleventh Circuit relied on two findings to support its conclusion. First, the court reasoned that because the Act did not qualify “registration” with initial or creation registration, it must apply the “plain and unambiguous” meaning of the word.¹⁷³ It stated that the statute “refers simply to a registration, and a re-registration is, by definition, a registration.”¹⁷⁴ Second, the court looked to Congress’s intent in enacting the ACPA and determined that “[i]t would be nonsensical to exempt the bad-faith re-registration of a domain name simply because the bad-faith behavior occurred during a subsequent registration.”¹⁷⁵ The Eleventh Circuit thus included re-registrations within the definition of registration.

4. Application of the ACPA “Registration” Hook in Lower Courts

Only two lower courts have addressed this issue since the creation of the circuit split. Ruling in 2012 and 2013, respectively, the U.S. District Court for the District of Arizona¹⁷⁶ and the U.S. District Court for the District of Columbia¹⁷⁷ applied the same standard set forth in *GoPets* (where the registration was limited to the initial registration), yet provided divergent holdings.¹⁷⁸

170. *Id.* at *4. The court analyzed nine bad faith factors and found that the defendant had satisfied “at least five” of them. *Id.* Specifically, the defendant (1) did not have any intellectual property rights in the domain name, (2) never used the website for a bona fide offering of goods or services, (3) re-registered the domain name and three similar domain names after the plaintiff approached him to retrieve the domain name, (4) demanded payment from the plaintiff for the domain names, and (5) admitted that he intended to profit from the registration and use of the domain name. *Id.*

171. *Jysk Bed’N Linen*, 810 F.3d at 774.

172. *Id.* at 778.

173. *Id.* at 777 (quoting *Cox Enters., Inc. v. Pension Benefit Guar. Corp.*, 666 F.3d 697, 704 (11th Cir. 2012)).

174. *Id.* at 777 (referring to *Re-register*, OXFORD ENGLISH DICTIONARY (2015)).

175. *Id.* at 778.

176. *AIRFX.com v. AirFX LLC*, No. CV 11-01064-PHX-FJM, 2012 WL 3638721 (D. Ariz. Aug. 24, 2012).

177. *Xereas v. Heiss*, 933 F. Supp. 2d 1 (D.D.C. 2013). The U.S. District Court for the District of Nevada is the only other lower court to address the ACPA, and its case was decided before *GoPets*. See *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936 (D. Nev. 2010). The court rejected the proposition that registration is limited to initial registrations, because “[i]f a domain name was registered in good faith originally, but thereafter re-registered in bad faith, the cybersquatter would escape liability, a result not supportable by the statutory scheme.” *Id.* at 954.

178. *Xereas*, 933 F. Supp. 2d at 17; *AIRFX.com*, 2012 WL 3638721, at *4.

a. AIRFX.com v. AirFX LLC¹⁷⁹

In March 2003, Bestinfo registered airfx.com.¹⁸⁰ Plaintiff Marc Lurie, purchased airfx.com from Bestinfo in 2007 for \$2,100.¹⁸¹ Lurie intended to use the domain name in conjunction with a skydiving wind tunnel business he was operating at the time; however, Lurie never posted content to the site or created a website for the domain name.¹⁸²

The defendant AirFX LLC used the mark "AirFX" in connection with shock absorbers and suspension systems for motorcycles, bicycles, automobiles, and powered vehicles.¹⁸³ AirFX LLC attempted to purchase the domain from Lurie in 2008.¹⁸⁴ Lurie offered to lease the domain for a year, but AirFX LLC declined.¹⁸⁵ AirFX LLC then initiated a complaint under the UDRP before the National Arbitration Forum.¹⁸⁶

The arbitration panel decided in favor of the defendant, finding that Lurie's domain was identical or confusingly similar to the defendant's mark; that Lurie lacked rights or a legitimate interest in the domain because he has "not offered products or services that related to the AIRFX mark"; and that Lurie registered the mark in bad faith, "primarily to rent it to" the defendant.¹⁸⁷ The panel ordered the registrar to transfer the domain to AirFX LLC.¹⁸⁸

Plaintiff Lurie filed a complaint in the district court raising an ACPA claim.¹⁸⁹ The defendant attempted to distinguish *GoPets* on the basis that, in *GoPets*, the defendant "transferred the domain name to an entity he co-owned, and here Lurie purchased airfx.com from an unrelated third party."¹⁹⁰ The court rejected this reasoning, stating that "*GoPets* did not distinguish between transfers of a domain name to related parties and other kinds of domain name transfers."¹⁹¹ The court held that Lurie's re-registration of airfx.com in 2007 was not a registration within the meaning of the ACPA because "Bestinfo registered airfx.com 'long before [defendant] registered its service mark.'"¹⁹² Therefore, the

179. No. CV 11-01064-PHX-FJM, 2012 WL 3638721 (D. Ariz. Aug. 24, 2012).

180. *AIRFX.com*, 2012 WL 3638721, at *2.

181. *Id.*

182. *Id.*

183. *Id.*

184. *Id.*

185. *Id.*

186. *Id.*; see also *AirFX, LLC v. ATTN AIRFX.COM*, Case No. FA1104001384655, Panel Decision (Nat'l Arbitration Forum May 16, 2011) (Diaz, Arb.), <http://www.adrforum.com/domaindecisions/1384655.htm> [perma: <http://perma.cc/9MRK-43LH>]. The National Arbitration Forum, now simply "Forum," is an approved dispute resolution service provider for domain name disputes. *Domain Name Disputes*, FORUM, <http://www.adrforum.com/domains> [perma: <http://perma.cc/ATX5-8BDS>] (last visited May 30, 2018).

187. *AirFX, LLC*, FA1104001384655, at 5.

188. *Id.*

189. Complaint at 10-18, *AIRFX.com*, 2012 WL 3638721 (No. CV 11-01064-PHX-FJM).

190. *AIRFX.com*, 2012 WL 3638721, at *4.

191. *Id.*

192. *Id.* (alteration in original)(quoting *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1032 (9th Cir.

court granted the plaintiff Lurie summary judgment on the ACPA claim.¹⁹³

*b. Xereas v. Heiss*¹⁹⁴

In *Xereas v. Heiss*, plaintiff John Xereas registered a group of domain names in 2005 and 2009, including the domain at issue, riotactcomedy.com.¹⁹⁵ In May 2010, Xereas and the defendants agreed to launch a comedy club called Riot Act Comedy Club.¹⁹⁶ In January 2011, the business hired Squiid to create a website for the domain name.¹⁹⁷ In January 2012, the defendants “removed Xereas from his management role and, without Xereas’s knowledge or approval, instructed Squiid to revise the domain name registration information for ‘riotactcomedy.com’ [so] to transfer ownership of the domain names to the [business].”¹⁹⁸

Xereas filed a complaint in the U.S. District Court for the District of Columbia asserting that the defendants re-registered the domain name in bad faith.¹⁹⁹ The defendants relied on *GoPets*—asserting that their re-registration of the domain name was not a registration within the meaning of the ACPA.²⁰⁰ The court rejected the reasoning in *GoPets* and *GoPets*’s concern for the potential inalienability of domain names.²⁰¹ Instead, the court stated that the statute does not expressly take away an initial registrant’s right to sell or transfer the rights she has; instead, the “statute simply requires that a domain name registrant not register the domain name with a bad faith intent to profit.”²⁰² To hold that a registration is limited only to initial registrations, the court said, would deviate from the “statute’s purpose of eliminating cyber-squatting.”²⁰³ Thus, the court denied the defendant’s motion to dismiss the ACPA claim, holding that the D.C. District Court held that re-registrations are included in the definition of registration.²⁰⁴

2011)). Bestinfo registered airfx.com in 2003. *Id.* at *2. An application for the mark AirFX was not filed until 2004. *Id.*

193. *Id.* at *5.

194. 933 F. Supp. 2d 1 (D.D.C. 2013).

195. *Xereas*, 933 F. Supp. 2d at 5.

196. *Id.*

197. *Id.*

198. *Id.*

199. *Id.* at 8.

200. *Id.* at 15. Xereas sought “to distinguish his case from *GoPets* because in that case, there was a lawful transfer of ownership of the domain name to a new entity which later sought to register the name, whereas here, Xereas allege[d] that the ‘re-registration was done for unlawful and deceptive purposes.’” *Id.* (quoting Plaintiff’s Response to Defendant Squiid’s Motion to Dismiss at 3, *Xereas*, 933 F. Supp. 2d 1 (No. 12–456 (RWR))).

201. *Id.* at 15–17.

202. *Id.* at 16.

203. *Id.*

204. *Id.* at 17.

D. Contract and Property Law Principles

Central to the issues of defining "register" is whether the rights associated with domain names should be rooted in property or contract law.²⁰⁵ This Part provides a brief conceptual framework by reviewing the three core differences between traditional principles of contract and property law.

Scholars have proposed several distinguishing features between contract law and property law. Namely, (1) property rights are "good against all the world" whereas contract rights are good only against the parties to the contract;²⁰⁶ (2) there are well-recognized forms of property rights whereas, in contract law, parties are free to craft rights in almost any way they want;²⁰⁷ and (3) property rights are generally associated with lower information costs than contract rights.²⁰⁸

Professor Wesley Newcomb Hohfeld's work is one of the first efforts undertaken by a legal academic to distinguish contract and property law.²⁰⁹ Hohfeld set forth a framework proposing that contract rights are "paucital right[s]" and property rights are "multital right[s]."²¹⁰ Paucital rights are those that reside in a single person, or group of persons, against a single or a few definite persons.²¹¹ Multital rights are those that reside in a single person or group of persons against "a very large and indefinite class of people."²¹²

More simply, contract law and property fundamentally differ in that a contract binds and gives rights only to the parties to the contract and property binds "the whole world."²¹³ The relevant consequence of this is that a right

205. See *infra* Part III.A for a discussion of the applicability of property law and contract law to domain names.

206. See Wesley Newcomb Hohfeld, *Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 26 YALE L.J. 710, 742 (1917) (internal citations omitted); see also *infra* notes 205–11 and accompanying text.

207. See *infra* notes 216–19 and accompanying text.

208. See *infra* notes 220–25 and accompanying text.

209. Thomas W. Merrill & Henry E. Smith, *The Property/Contract Interface*, 101 COLUM. L. REV. 773, 775 (2001); see also Hohfeld, *supra* note 206, at 718.

210. Hohfeld, *supra* note 206, at 718. Hohfeld's framework has been reiterated in various ways since he first proposed it. See, e.g., Abraham Bell & Gideon Parchomovsky, *A Theory of Property*, 90 CORNELL L. REV. 531, 533 (2005) ("[I]n contrast to contractual rights that avail only against other parties to an agreement, property rights avail against the rest of the world, irrespective of consent."); Blake Rohrbacher, Note, *More Equal than Others: Defending Property-Contract Parity in Bankruptcy*, 114 YALE L.J. 1099, 1103 (2005) ("[T]he distinction between property and contract is that property is about a person's right to a thing, and contract is about promises to transfer those rights from one person to another.").

211. Hohfeld, *supra* note 206, at 718.

212. *Id.*

213. Rohrbacher, *supra* note 210, at 1104. Analogous to this framework, and worth noting, is that property is alienable. This simply means that the owner of the property can freely and voluntarily transfer his or her property. Andrew Beckerman-Rodau, *Are Ideas Within the Traditional Definition of Property?: A Jurisprudential Analysis*, 47 ARK. L. REV. 603, 606 (1994); Susan Rose-Ackerman, *Inalienability and the Theory of Property Rights*, 85 COLUM. L. REV. 931, 935 (1985); see also Richard A. Epstein, *Why Restrain Alienation?*, 85 COLUM. L. REV. 970, 971 (1985) ("Each type of property may be alienated in a number of different ways . . .").

governed under property law, unlike contract law, will be enforceable beyond the parties privy to an agreement.²¹⁴ Meaning, while limited parties will be impacted by a right protected under contract law, a right protected under property law is enforceable against any party without legitimate rights to the property.²¹⁵

Relatedly, the second proposed difference is that property rights are “held at the mercy of the law” whereas contract rights are “held at the mercy of another person.”²¹⁶ In other words, property law is characterized by “mandatory rules” that cannot be modified and contract law is characterized by default rules that permit the “free customization of the rights and duties” by the parties crafting the contract.²¹⁷ While contractual rights are governed by some default rules, the terms can be idiosyncratic to a specific contract,²¹⁸ property rights can be held in only a “limited number of fixed forms.”²¹⁹

214. Henry Hansmann & Reinier Kraakman, *Property, Contract, and Verification: The Numerus Clausus Problem and the Divisibility of Rights*, 31 J. LEGAL STUD. S373, S378 (2002) (“[T]he attribute that distinguishes a property right from a contract right is that a property right is enforceable, not just against the original grantor of the right, but also against other persons to whom possession of the asset, or other rights in the asset, are subsequently transferred.”); Robert P. Merges, *The End of Friction? Property Rights and Contract in the “Newtonian” World of On-Line Commerce*, 12 BERKELEY TECH. L.J. 115, 128 (1997) (“Property . . . is distinctive because it allows enforcement against third parties not in privity with the rightholder. Creators can then use contracts to craft individualized restrictions on use in bilateral relations built on property rights.”).

215. Hansmann & Kraakman, *supra* note 214, at S378.

216. Rohrbacher, *supra* note 210, at 1103 (“The law of contract is virtually unlimited in its ability to create legally binding contracts of varying lengths, natures, and subjects”); *id.* at 1108 (describing property as defined by “our society and our law”); *see also* Joshua Fairfield, *The Cost of Consent: Optimal Standardization in the Law of Contract*, 58 EMORY L.J. 1401, 1415 (2009) (describing property rights as a system of rules not modifiable by any agreement).

217. Merrill & Smith, *supra* note 209, at 776–77. This difference exists because of the different costs and benefits associated with each type of right. Professors Merrill and Smith argue that parties to a contract are in the best position to evaluate costs and benefits, and costs are not significant “third-party effects associated with the adoption of idiosyncratic terms.” *Id.* at 777. However, in a property scenario, there are implications for the immediate parties to a transaction and also for third parties “who must incur additional costs of gathering information in order to avoid violating novel property rights or to decide whether to seek to acquire these rights.” *Id.* *But see* Hansmann & Kraakman, *supra* note 214, at S382. Professors Hansmann and Kraakman set forth various arguments against Merrill and Smith’s interpretation. *Id.* at S374–75. Relevant here, Hansmann and Kraakman contend that as alternative forms of property rights increase, property law does not function to set forth “well-defined standard forms,” but rather it standardizes and regulates “the available categories of property rights.” *Id.* at S382. They offer the example of “copyright,” which signifies “a complex package of well-defined property rights designed to serve the needs of authors and publishers.” *Id.* at S379. An author is presumed to “retain a standard-form copyright” in his or her book. *Id.* at S400. This is the standard form Merrill and Smith address. *See* Merrill & Smith, *supra* note 209, at 776–77. However, Hansmann and Kraakman illustrate that because an author can redivide her rights in the writing—she could sell “subdivided rights” to an indefinite number of people, who may then resell and further subdivide those rights—she can undermine the standard form. *See* Hansmann & Kraakman, *supra* note 214, at S400. These transactions will occur as contracts and will not be standard, but copyright law will regulate and govern the subdivisions of rights. *Id.*

218. Merrill & Smith, *supra* note 209, at 777.

219. Rohrbacher, *supra* note 210, at 1103.

The last difference between contract and property law is the difference in information costs—the costs of gathering information in order to avoid violating property rights or the costs of gathering information to decide whether to seek to acquire a property right.²²⁰ Property rights keep transaction costs down.²²¹ This is because property rights are determined by mandatory laws, making them governable by “bright-line” rules that allow many people, not just those privy to some specific agreement, to “identify [the] owned resource[] at [a] low cost.”²²² The costs of acquiring all of the use rights to a resource governed by a contract can be prohibitive²²³ because contractual rights are unique to a contract.²²⁴ Thus,

220. Merrill & Smith, *supra* note 209, at 776–77. Merrill and Smith suggest that the “two modalities of rights” function as resource regulators. *Id.* at 790–91. Contracts, or a “governance strategy for determining use rights,” define and specify the terms of permitted and restricted uses of a resource. *Id.* at 791. On the other hand, property rights, or “exclusion strategies,” restrict access to a resource and “delegates” the property right owner the “discretion to select” potential uses of a resource. *Id.*

221. Fairfield, *supra* note 216, at 1415–16. Fairfield offers a salient example: “Consider the fee simple absolute, the leasehold estate, or the other limited forms property can take. These limitations on forms lower information costs by constraining choice. When there are only a few forms of property to choose from, it becomes cheaper to choose.” *Id.* at 1416.

222. Merrill & Smith, *supra* note 209, at 780–90. Property rights will accompany a specific resource and identify “one person or entity as the manager of a resource (the owner).” *Id.* at 791. It will “confer[] general exclusionary rights on the owner and then leave[] it to the owner’s discretion to establish use rights.” *Id.* at 802. Merrill and Smith also explain that

the legal specification of the right stops with the identification of the resource and a few simple rights of exclusion. The legal rules do not concern themselves with use rights or identification of persons entitled to engage in particular uses. In these respects, in rem rights conserve on information gathering and processing costs.

Id.

223. See *id.* at 793–94. Merrill and Smith offer the salient example:

Consider the hypothetical world in which A has in personam use rights in a resource and B must expend \$X in order to gather and process information about A’s rights. If the society grows to the point where there are 1000 Bs, and each B is similarly bound to respect A’s rights, this means it will now be necessary to expend \$1000X on gathering and processing information about A’s rights by all Bs combined. When we add in the fact that each B also has her own rights to resources, which must be processed by A and all the other Bs, then the magnification of information gathering and processing costs is multiplied many times over—it is in effect \$1,001,000X. Clearly, the in personam strategy for determining use rights will rapidly break down in the face of even relatively modest numbers of persons with interlocking interests in the use of scarce resources.

Id. (footnotes omitted); see also Henry T. Greely, *Contracts as Commodities: The Influence of Secondary Purchasers on the Form of Contracts*, 42 VAND. L. REV. 133, 136 (1989). Professor Greely notes that the information costs associated with a contract include the costs “in finding the contractual product and costs incurred by taking the time to read, understand, and compare the contract to competing alternatives. In some cases, these costs might be trivial; while in others, they could include substantial expenses such as lawyers’ fees.” *Id.*

224. Fairfield, *supra* note 216, at 1417 (explaining that because there is a high level of customization associated with contracts, that has the effect of not permitting third parties to know anything about the terms, resulting in high information costs); Merrill & Smith, *supra* note 209, at 799–800 (explaining that contracts are elaborate because “[i]dentifying the affected persons, defining the permitted uses, understanding those definitions, and monitoring for compliance all entail the expenditure of resources”).

contract rights are cost efficient because they “impose a . . . large informational burden on a small number of identified people,” and property rights are cost efficient because they are used as an “exclusion strategy . . . imposing a small informational burden on a large and indefinite number of people.”²²⁵

In sum, property and contract law can be distinguished from one another by three core differences: (1) who is bound, (2) standardization of the rights, and (3) the information costs. These differences are not determinative. For example, standard form contracts—contracts with standardized rights and obligations—can resemble a property right because they keep information costs low as the rights and obligations among all the contracts are standardized.²²⁶ Despite certain exceptions, the aforementioned principles provide useful guidance for understanding how the differences between contract and property law have been traditionally articulated.

III. DISCUSSION

The following Section sets forth a proposed resolution to the circuit split. First, it argues that, for the purposes of the ACPA, Congress intended domain names to be property-like interests. This Comment does not ultimately conclude that domain names are a property interest; rather, it argues that, under the ACPA, the correct lens through which to view the interest of a domain name holder is through that of property law. Second, this Section proposes that due to the unique nature of the domain name system and to further the underlying policies of the Act, “registration” must take an expansive definition that encompasses initial registrations, re-registrations, and other acts that resemble registration in the domain name context.

A. *Domain Name Owners Have a Property-Like Interest in Their Domain Names*

As discussed earlier, the Third and Eleventh Circuits have held that registration encompasses *re*-registrations, yet the Ninth Circuit has held that registration refers only to *initial* registration.²²⁷ The Third Circuit expressly based this conclusion on the fact that domain names are contractual rights because every new registration demands a new contract.²²⁸ The Eleventh Circuit, twelve years later, agreed with the Third Circuit.²²⁹ It found authority in the text of the statute and legislative history.²³⁰ An analysis of the statute, the legislative history, and the characteristics of domain names, however, supports a different

225. Merrill & Smith, *supra* note 209, at 780–90.

226. Fairfield, *supra* note 216, at 1419; Greely, *supra* note 223, at 139; Andrew A. Schwartz, *Consumer Contract Exchanges and the Problem of Adhesion*, 28 YALE J. ON REG. 313, 320 (2011); Justin P. Green, Comment, *The Consumer-Redistributive Stance: A Perspective on Restoring Balance to Transactions Involving Consumer Standard-Form Contracts*, 46 AKRON L. REV. 551, 553 n.4 (2013).

227. See *supra* Part II.C.

228. *Schmidheiny II*, 319 F.3d 581, 583 (3d Cir. 2003).

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

230. See *id.* at 777–78.

conclusion—that the interest in domain names is property-like.

1. Domain Name Statutory Analysis and Legislative History

The Third, Ninth, and Eleventh Circuits all have relied, to some degree, on statutory analysis and legislative history to support their divergent holdings.²³¹ This Part analyzes the statute and the legislative history to illustrate that, first, registration is not limited to initial registrations and, second, that Congress intended domain names to be a property-like interest.²³²

Pursuant to the generally accepted rules of statutory construction, to determine the meaning of a statutory term, the term’s ordinary meaning should first be assessed.²³³ As the Third and the Eleventh Circuits correctly observed, the statute does not define registration, nor does it create an exception or qualify registration with “initial” or “creation.”²³⁴ Examining a sample of commonly used dictionaries reveals that re-registration squarely fits within the ordinary meaning of registration—an act of recording or enrolling.²³⁵ This is not to

231. See *supra* Part II.C for a discussion of the circuit split.

232. This may raise issues to the alert reader as it seems to contradict my ultimate conclusion that domain names are a property right for the purposes of the ACPA. This is because, as the Ninth Circuit reasoned, if domain names are a property interest, registration should be limited to only initial registration. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1031 (9th Cir. 2011). The author will not, here, contest that re-registrations may be precluded from a traditional property analysis. Despite domain names being created and maintained by contract, the author argues that this is not dispositive on the question of whether they constitute a property right. See *infra* Part III.A.2.

233. *Sebelius v. Cloer*, 133 S. Ct. 1886, 1893 (2013) (“As in any statutory construction case, ‘[w]e start, of course, with the statutory text,’ and proceed from the understanding that ‘[u]nless otherwise defined, statutory terms are generally interpreted in accordance with their ordinary meaning.’” (alterations in original) (quoting *BP Am. Prod. Co. v. Burton*, 549 U.S. 84, 91 (2006))); *BP Am. Prod. Co.*, 549 U.S. at 91; *Robinson v. Shell Oil Co.*, 519 U.S. 337, 340 (1997); see also *United States v. Kaplan*, 836 F.3d 1199, 1208 (9th Cir. 2016), *cert. denied*, 137 S. Ct. 1392 (2017); *Doe v. Hesketh*, 828 F.3d 159, 167 (3d Cir. 2016); *Consol. Bank, N.A. v. U.S. Dep’t of the Treasury*, 118 F.3d 1461, 1463 (11th Cir. 1997).

234. *Jysk Bed’N Linen*, 810 F.3d at 777–78 (stating that Congress did not define “register” in the ACPA and that the statute contains no qualifications of “initial or creation” to registration; also observing that the inclusion of subsequent registrations best adheres to Congress’s purpose of preventing cybersquatting); *Schmidheiny II*, 319 F.3d 581, 582–83 (3d Cir. 2003) (stating that the words “initial” or “creation” appear nowhere in the statute and Congress did not add an exception for “non-creation registrations”).

235. See, e.g., *Register*, CAMBRIDGE DICTIONARY, <http://www.dictionary.cambridge.org/us/dictionary/english/register> [perma: <http://perma.cc/K28S-CGMN>] (last visited May 30, 2018) (defining register as “to record someone’s name or ownership of property on an official list”); *Register*, MERRIAM WEBSTER, <http://www.merriam-webster.com/dictionary/register> [perma: <http://perma.cc/43LV-CGQM>] (last visited May 30, 2018) (defining register as “to enroll one’s name in a register” or “to make or secure official entry of in a register”); *Register*, OXFORD LEARNER’S DICTIONARIES, http://www.oxfordlearnersdictionaries.com/us/definition/English/register_1?q=register [perma: <http://perma.cc/X54D-2YXF>] (last visited May 30, 2018) (defining register as “to record your/somebody’s/something’s name on an official list”); *Registration*, BLACK’S LAW DICTIONARY (10th ed. 2014) (defining registration as “the act of recording or enrolling”). The Eleventh Circuit turned to the OXFORD ENGLISH DICTIONARY’s definition of “re-register,” which was “[t]o register again,” to support its conclusion that registration included re-registrations. *Jysk Bed’N Linen*, 810 F.3d at 777 (alteration in original) (quoting *Re-register*, OXFORD ENGLISH DICTIONARY (2015)).

suggest that the ordinary meaning of registration is *re-registration*, only that re-registrations can fall within the definition of the word. Therefore, the language is not ambiguous, but the statutory scheme, in two ways, challenges the ordinary meaning of the word.²³⁶

The first is that the statute does not expressly define “registration” nor does it qualify “registration” with, for example, the words “initial” or “creation.” Congress could have used the phrase “initial registration” or included some “temporal qualifier.”²³⁷ Moreover, Congress offered definitions of the other predicates to the cause of action—“traffics in”²³⁸ and “use”²³⁹—but did not define register.²⁴⁰ This suggests that Congress believed that a supplemental definition was not necessary because the ordinary meaning would suffice.

The second finding is that the ACPA provides a domain name owner a right to file an *in rem* action.²⁴¹ *In rem* proceedings involve jurisdiction exclusively over property.²⁴² Property is generally alienable²⁴³ and—as the Ninth Circuit observed—to include re-registrations within the definition of registration challenges the alienability of property.²⁴⁴ Thus, the statute seemingly adopts the ordinary meaning of registration, yet its *in rem* provision could lead to the conclusion that registration must be limited to initial registration.²⁴⁵

236. The Supreme Court instructs that if the initial inquiry reveals an ambiguity or the language is not “coherent and consistent” with the statutory scheme, then the ambiguity should be resolved by examining the specific context in which the language is used and the broader context of the statute as a whole. *Robinson*, 519 U.S. at 340 (quoting *United States v. Ron Pair Enters., Inc.*, 489 U.S. 235, 240 (1989)).

237. *Id.* at 341. Analyzing a different statutory interpretation issue, the Supreme Court noted that Congress could have used the phrase “current employees” instead of “employees” in Title VII. *Id.*; see also *Price*, *supra* note 70, at 470 (concluding that “[i]f Congress wanted to establish a different definition of registration, outside of the plain meaning, they would have explicitly listed it”).

238. See *supra* notes 20–21 and accompanying text.

239. See *supra* note 22 and accompanying text.

240. See 15 U.S.C. §§ 1125(d)(1), 1127 (2012).

241. See *supra* notes 88–90, 95–100 and accompanying text.

242. Thomas R. Lee, *In Rem Jurisdiction in Cyberspace*, 75 WASH. L. REV. 97, 126 (2000) (“*In rem* jurisdiction has long required that the *res* or property at issue have its situs within the district of the court exercising power over it.”); John A. Greer, Note, *If the Shoe Fits: Reconciling the International Shoe Minimum Contacts Test with the Anticybersquatting Consumer Protection Act*, 61 VAND. L. REV. 1861, 1871 (2008) (stating that *in rem* actions involve property and disputed property right as the bases for jurisdiction).

243. See *supra* note 213.

244. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1031–32 (9th Cir. 2011) (“The general rule is that a property owner may sell all of the rights he holds in property. [Permitting re-registrations] . . . would make rights to many domain names effectively inalienable, whether the alienation is by gift, inheritance, sale, or other form of transfer. Nothing in the text or structure of the statute indicates that Congress intended that rights in domain names should be inalienable.”).

245. It is not surprising then that the neither the Third nor the Eleventh Circuits addressed this in its analysis. The only court that recognized domain names as contracts to address the *in rem* provision of the ACPA was *Network Solutions, Inc. v. Umbro International, Inc.*, 529 S.E.2d 80 (Va. 2000), a decision by the Supreme Court of Virginia analyzing whether a domain name can be garnished. *Id.* at 86 n.12. It commented on the provision in a footnote but did not consider the provision determinative because the statute did not address the contractual nature of the domain

The legislative history maintains this discrepancy—domain names are referred to as property, the property analysis comports with the purpose of the Act, and yet, re-registrations seem to fall outside the scope of property law. The legislative history, discussed below, illustrates that Congress intended domain names to be a property interest and that the inclusion of re-registrations is necessary to comport with Congress's intent.²⁴⁶

Congress passed the ACPA to curtail the then-new form of "piracy on the Internet"—cybersquatting—because of its harmful effects to American businesses,²⁴⁷ consumers,²⁴⁸ and online commerce.²⁴⁹ The Act was also passed to clarify the rights of domain name holders in instances where their domain name had been cybersquatted.²⁵⁰ In clarifying the rights of domain name holders, not one reference to the contractual genesis of domain names is mentioned in the Senate Report, Congressional Hearing, or the House Conference Report.²⁵¹ However, reference to the "property interests" of trademark holders is made in two instances in the Senate Report.²⁵² Especially telling is the language used

name. *Id.* ("While it could be argued that this legislation supports the position that Internet domain names are intangible property since the amendment provides for an in rem proceeding, the language of the amendment does not address the relationship between an operational Internet domain name and its attendant services provided by a registrar such as NSI.").

246. The Supreme Court instructs that the ordinary meaning of a word should only be departed from if adhering to the ordinary meaning would "produce a result demonstrably at odds with the intentions of its drafters." *United States v. Ron Pair Enters., Inc.*, 489 U.S. 235, 242 (1989) (quoting *Griffin v. Oceanic Contractors, Inc.*, 458 U.S. 564, 571 (1982)).

247. See S. REP. NO. 106-140, at 4, 7 (1999) (noting the unnecessary legal costs incurred to business and the implementation of "extensive monitoring obligations"); see also U.S. PATENT & TRADEMARK OFFICE, REPORT TO CONGRESS: THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT OF 1999, SECTION 3006 CONCERNING THE ABUSIVE REGISTRATION OF DOMAIN NAMES 2-3 (2001) [hereinafter USPTO REPORT] (stating that one correspondent noted that "business must engage in long, difficult, and expensive legal proceedings to have the false Web site shut down. . . . [and] [i]n the meantime, the reputation of the legitimate business may be significantly damaged").

248. See S. REP. NO. 106-140, at 4-6 (stating that online consumers have a difficult time distinguishing between authentic sites and pirate sites, which can result in brand abuse and consumer confusion); see also *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1044-45 (9th Cir. 1999) (stating that because of the way most Internet users use the Internet—by entering the source they are looking for and adding ".com" to it or by utilizing a search engine—consumers are susceptible to confusion); H.R. REP. NO. 106-412, at 6-7 (1999) (explaining that cyberpiracy harms businesses by causing loss of business opportunities by diverting customers from a trademark owner's website, blurring the distinctive quality of the domain name or tarnishing the domain name, and by requiring businesses to police and enforce their trademarks rights); 145 CONG. REC. S7,454 (daily ed. June 22, 1999) (statement of Sen. Hatch) (stating that the cybersquatting "is particularly acute in the Internet context where the only assurance of quality or sponsorship may be the information found on a web page and the IP address that leads consumers there"); USPTO REPORT, *supra* note 247, at 2 (stating that in the context of voting, consumers "seeking to educate themselves about candidates, might abandon use of the Internet should it become too difficult or time-consuming to find a site that contains correct, reliable information").

249. S. REP. NO.106-140, at 4.

250. *Id.* at 10.

251. See 145 CONG. REC. S7,454 (daily ed. June 22, 1999); H.R. REP. NO. 106-412; S. REP. NO. 106-140.

252. S. REP. NO. 106-140, at 8-9 (stating that "the bill . . . balances the *property* interests of

when discussing the *in rem* provision of the Act:

The bill, as amended, will alleviate this difficulty, while protecting the notions of fair play and substantial justice, by enabling a mark owner to seek an injunction against *the infringing property* in those cases where, after due diligence, a mark owner is unable to proceed against the domain name registrant because the registrant has provided false contact information and is otherwise not to be found.²⁵³

The ACPA's legislative history leaves little doubt that Congress considered trademark-protectable domain names to have some property features. Congress clearly recognized the value of a domain name to a business and the reality of their commodification, otherwise, no cause of action would have been necessary.²⁵⁴ Additionally, the use of the property terminology to describe the rights the holder has in his or her domain name,²⁵⁵ coupled with the *in rem* cause of action²⁵⁶ invariably indicates that domain name holders have a property-like interest in their domain names.

Moreover, although not expressly stated in the legislative history—as the Eleventh Circuit noted—to not include a re-registration within the ACPA would be “nonsensical” and would allow for “the exact behavior that Congress sought to prevent.”²⁵⁷ For example, if registrations were limited to initial registrations the domain holder would not have a cause of action when—like in *Xereas*²⁵⁸—an administrative manager of a website, who initially registered a domain name for a company, is instructed by the company to re-register the domain name in the company's name following a dissolution of a partnership but, in an attempt to extort the company, does not.²⁵⁹ Under an initial registration construction of the

trademark owners with the interests of Internet users who would make fair use of others' marks or otherwise engage in protected speech online (emphasis added)).

253. *Id.* at 10 (emphasis added). It is difficult to analyze this provision away. Commentators have contended that the *in rem* provision is not constitutional because it violates due process and raises other troubling issues, but none have set forth any arguments against the *in rem* provision, in favor of a contract view. *See generally* Heather A. Forrest, Note, *Drawing a Line in the Constitutional Sand Between Congress and the Foreign Citizen “Cybersquatter”*, 9 WM. & MARY BILL RTS. J. 461 (2001) (arguing that Congress lacked power under the Commerce Clause to regulate those who registered in bad faith trademark-domain names beyond the United States); Steven J. Coran, Note, *The Anticybersquatting Consumer Protection Act's in Rem Provision: Making American Trademark Law the Law of the Internet?*, 30 HOFSTRA L. REV. 169, 194–95 (2001) (arguing that the provision violates comity principles when it asserts jurisdiction over domain name owners who do not reside within the United States because this has the effect of making U.S. mark law the mark law of the global Internet).

254. *See supra* notes 247–53 and accompanying text for a recitation of the legislative purpose of the ACPA.

255. *See supra* notes 251–53 and accompanying text for pertinent legislative history.

256. *See supra* notes 89, 95–100, 253 and accompanying text for an explanation of an *in rem* cause of action under the ACPA.

257. *Jysk Bed’N Linen v. Dutta-Roy*, 810 F.3d 767, 778 (11th Cir. 2015).

258. *Xereas v. Heiss*, 933 F. Supp. 2d 1, 5 (D.D.C. 2013).

259. *See Transfer Policy*, ICANN, <http://www.icann.org/resources/pages/transfer-policy-2016-06-01-en> [perma: <http://perma.cc/L2N3-2M48>] (last visited May 30, 2018) (allowing a registrar to transfer a domain name by authorization from the registered name holder or the administration contact).

statute, this bad faith registration would not fall within the scope of ACPA liability.

Congress's express intent was to curtail abusive bad faith registrations that harm commerce, business, and consumers.²⁶⁰ Commerce, business, and consumers would not be effectively protected by limiting bad faith registrations to only the creation registration of a domain. As the *Xereas* court noted, "the ACPA provides no reason why any party who registers a distinctive or famous domain name with bad faith intent to profit after the original registration should escape the statute's enforcement."²⁶¹ Thus, to read re-registrations out of the Act would frustrate the drafters' intent and the purpose motivating the Act.

2. Domain Names Have Property-Like Characteristics

How, then, can the contractual genesis of a domain name, its creation, and its must-be-renewed-by-contract underpinnings be reconciled with property law? First, as with many Internet-related concepts, one must accept that domain names do not squarely fit within any established body of law. Congress recognized this with its enactment of the ACPA.²⁶² Accordingly, a departure from the traditional understanding of property is necessary to accommodate the peculiar nature of domain names.

Domain names ostensibly present as contractual in nature. For example, domain names are created by contract,²⁶³ the continuation of rights to a domain name is contingent upon the re-registration of it,²⁶⁴ and domain name holders are bound to certain obligations through their contract with the registrar.²⁶⁵ However, concluding that domain names are contractual in nature based solely on these procedural requirements would be premature.²⁶⁶ To provide a brief

260. See *supra* notes 247–53 and accompanying text.

261. *Xereas*, 933 F. Supp. 2d at 17; see also *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003) (evaluating the "traffic" element of the statute but noting that "[r]egistering a famous trademark as a domain name and then offering it for sale to the trademark owner is exactly the wrong Congress intended to remedy when it passed the ACPA").

262. See *supra* notes 65–87 and accompanying text for a discussion about the limitations of the existing remedies. If domain names fit comfortably within a body of law, there would not have been any reason to enact the ACPA because the existing law would have addressed the issues arising from them. See S. REP. NO. 106-140, at 7 (1999) ("Current law does not expressly prohibit the act of cybersquatting. . . . Trademark holders are battling thousands of cases of cybersquatting each year, the vast majority of which cannot be resolved through the dispute resolution policy set up by Internet domain name registries. Instances of cybersquatting continue to grow each year because there is no clear deterrent and little incentive for cybersquatters to discontinue their abusive practices."); Jeffrey J. Look, *The Virtual Wild, Wild West (WWW): Intellectual Property Issues in Cyberspace—Trademarks, Service Marks, Copyrights, and Domain Names*, 22 U. ARK. LITTLE ROCK L. REV. 49, 49 (1999) (describing the Internet as a "truly . . . new, virtual frontier").

263. See *supra* notes 40–45 and accompanying text for a description of the domain name registration process.

264. See *supra* notes 46–47 and accompanying text.

265. See *supra* notes 40–50 and accompanying text.

266. Although the contents of the agreement are substantive in nature, as the following paragraphs will argue, the obligations in the agreement are nearly all pro forma procedural terms that address the way the parties interact with one another.

example, although billed as expiring contracts, domain name holders can register their domain name indefinitely and maintain their interest in them, possibly, forever—similar to a property interest.²⁶⁷

As mentioned earlier, contract law and property law can generally be distinguished by three features: (1) property rights are good against the world whereas contract rights are good only against the parties to the contract; (2) there are well recognized forms of property rights whereas, in contract law, parties are free to craft rights in any way they wish; and (3) property rights are generally associated with lower information costs than contract rights.²⁶⁸ Running through these distinguishing elements reveals that domain names—despite being created by contract—share defining characteristics with property interests.²⁶⁹

First, and very simply, two identical domain names cannot exist.²⁷⁰ Thus, the domain name owner has exclusive possession to a particular domain name against any individual or entity that attempts to register the same domain name.²⁷¹ Moreover, the ACPA provides that domain name owners have rights to their domain name and to confusingly similar domain names as well.²⁷² Stated differently, the domain holder agreement does not simply bar the other contractual party—the registrar—from using (or in this instance, barring others from using) the domain name.²⁷³ By virtue of the domain name system, the domain name holder has rights against the whole world²⁷⁴ from using the specific domain name, and maybe even confusingly similar domain names.²⁷⁵ Vindication of a domain owner's rights can be asserted through the ACPA, UDRP, and the Federal Trademark Dilution Act.²⁷⁶ These suggest a property right.

Second, the parties to the contract are not entirely free to customize their

267. See *supra* note 155 and accompanying text.

268. See *supra* Part II.D.

269. However, within the ACPA, not all domain names are a protectable property interest, and therefore I limit my conclusion to the domain names that are protectable under the ACPA. See *supra* notes 56–63 for the distinction between generic and descriptive marks (trademark protectable domain names) and the protection afforded to these respective categories of marks.

270. *Sporty's Farm LLC v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 493 (2d Cir. 2000) (explaining that each domain name will be unique); Sung Yang, Note, *Staking a Claim in Cyberspace: An Overview of Domain Name Disputes*, 36 WILLAMETTE L. REV. 115, 116 (2000) (stating that two identical domain names cannot exist); *What Does ICANN Do?*, ICANN, <http://www.icann.org/resources/pages/what-2012-02-25-en> [perma: <http://perma.cc/HL4G-2JVT>] (last visited May 30, 2018) (same).

271. This is because, as stated previously, a registrar will not allow the registration of a domain name that has already been registered. See *supra* notes 40–43 and accompanying text.

272. See *supra* note 91 for the applicable sections of the ACPA.

273. See *supra* notes 40–43 and accompanying text discussing the domain name registration process.

274. Rohrbacher, *supra* note 210, at 1104; see also *supra* notes 213–15 and accompanying text.

275. See *supra* note 88 and accompanying text for a discussion of rights to a domain name and of similarly confusing domain names.

276. See *supra* Part II.B.

rights against and duties to one another.²⁷⁷ They are limited because each registrar, to be accredited, is bound by an agreement with ICANN.²⁷⁸ This agreement sets forth the obligations the registrar has to ICANN, creating a "somewhat unique" relationship between ICANN and the registrar.²⁷⁹ This agreement greatly circumscribes the registrar-registrant agreement. For example, obligations require that a registrar (1) must submit to the Registry Operator certain information about a registered domain name,²⁸⁰ (2) must provide any interactive web page and port 43 WHOIS service providing free public query-based access to data on all the active registered names sponsored by the registrar,²⁸¹ (3) must disclaim the rights to certain elements of the registered domain,²⁸² (4) cannot represent to domain name holders or potential domain name holders that it is superior to any other accredited registrar,²⁸³ (5) must cancel the domain name registration by the end of the automatic renewal grace period (in the absence of extenuating circumstances),²⁸⁴ and (6) must comply with the UDRP.²⁸⁵

The Registrar Accreditation Agreement also requires that the registrar must provide for the following in its contract with a registered name holder²⁸⁶: (1) the length of term of domain name registration,²⁸⁷ (2) a domain name holder must provide the registrar with accurate and reliable contact information,²⁸⁸ (3)

277. See *supra* Part II.D for a discussion comparing the standardization of property rights with the flexibility of parties to establish rights in a contract.

278. See *supra* Part II.A for a discussion on the relationship between ICANN, the registrar, and the registrant.

279. Frederick M. Abbott, *On the Duality of Internet Domain Names: Propertization and Its Discontents*, 3 N.Y.U. J. INTELL. PROP. & ENT. L. 1, 20 (2013). This is because ICANN mandatorily adheres each registrar to an agreement that sets forth many terms a registrar must abide by and terms the registrar must include within its agreement with a registrant. See *Registrar Agreement, supra* note 36.

280. *Registrar Agreement, supra* note 36, at para. 3.2, states that the registrar must submit the following information: the name of the domain name being registered, the IP addresses of the primary and secondary nameservers for the registered name, the corresponding names of those nameservers, the identity of the registrar, the expiration date of the registration, and any other data the Registry Operation requires.

281. *Id.* at para. 3.3 (stating that this data must include: the registered name, the primary nameserver and secondary nameservers for the registered name, the identity of the registrar, the original creation date of the registration, the expiration date of the registration, the name and postal address of the registered name holders, the contact information of the name holder, and contact information of the administrative contact for the registered name).

282. *Id.* at para. 3.5.

283. *Id.* at para. 3.7.3.

284. *Id.* at para. 3.7.5; see also *id.* at paras. 3.7.5.1–7 (providing the extenuating circumstances).

285. *Id.* at para. 3.8. In addition, ICANN mandates that certain provisions be included in an agreement if a third party resells domain names (if the registrar enters into such an agreement). *Id.* at para. 3.12.

286. This listing is not fully inclusive. See *id.* at para. 3.7.7 for the other conditions to which the registrar is bound.

287. *Transfer Policy, supra* note 259.

288. *Registrar Agreement, supra* note 37, at para. 3.7.7.1 (including the full name; postal address; e-mail address; voice telephone number; fax number of the registered name holder; the name of

if a domain name holder willfully provides inaccurate or unreliable information its name will be cancelled within fifteen calendar days,²⁸⁹ (4) if a domain name holder licenses its domain name it is still the domain name holder of record and must accept liability for harm caused by the wrongful use of the registered domain name by the licensee,²⁹⁰ and (5) a registered name holder must agree to indemnify and hold harmless the registry operate.²⁹¹ In addition to these terms, ICANN also sets forth the terms of domain name transfer procedures by which the registrar and domain name holder must abide.²⁹²

These various provisions show that because of a registrar's agreement with ICANN, a registrar's agreement with a domain name holder will be substantially fixed and therefore consistent with all the other agreements made by other registrars.²⁹³ The multilayered contract scheme between ICANN, the accredited registrar, and the domain name holder dramatically limits the degree to which a domain name registrar can "create legally binding contracts of varying lengths, natures, and subjects."²⁹⁴ In this instance, ICANN and the agreement it makes with the registrar establish the metes and bounds of the right. Thus, despite the contractual genesis of a domain name, these mandated provisions and obligations create rights in domain names that are held in a "limited number of fixed forms."²⁹⁵ This again suggests a property right.

Lastly, the information costs associated with domain names resemble the information costs associated with property,²⁹⁶ or property-like costs.²⁹⁷ This is because the rights and obligations in a contract between a domain name holder and a registrar are not specific to that contract.²⁹⁸ Rather, ICANN provides bright-line rules that allow many people not privy to the specific agreements to

authorized person for contact purposes in the case of a registered name holder being an organization, association, or corporation; and certain data elements).

289. *Id.* at para. 3.7.7.2.

290. *Id.* at para. 3.7.7.3.

291. *Id.* at para. 3.7.7.12.

292. *Transfer Policy*, *supra* note 259.

293. After examining a small sample of domain name registrars' legal agreements, substantively, they are nearly the same. *See, e.g., GoDaddy Domain Name Registration Agreement*, *supra* note 44; *Namecheap Registration Agreement*, *supra* note 44; *Wix.com Domain Name Registration Agreement*, WIX.COM, <http://www.wix.com/about/registration-agreement> [perma: <http://perma.cc/9URC-3YZ6>] (last visited May 30, 2018). In addition to the ICANN mandated provisions, these agreements contain provisions regarding free product terms, liability, "domain add-ons," and renewal options. *GoDaddy Domain Name Registration Agreement*, *supra* note 44.

294. Rohrbacher, *supra* note 210, at 1103.

295. *Id.* See *supra* notes 277–92 and accompanying text for an illustration of the comprehensiveness of the obligations to which a registrar is bound.

296. See *supra* notes 220–25 and accompanying text for a discussion about information costs associated with contract and property rights.

297. See *supra* note 226 for a discussion about standard form contracts in relation to information costs. Standard form contract have been suggested to be "like property" rights. Fairfield, *supra* note 216, at 1419–20.

298. See *supra* notes 277–92 and accompany text for a discussion about the relationship between ICANN, the registrar, and registrant that greatly restricts the registrar from maintaining unique and specific contacts.

identify the owned resource, who owns the resource, the expiration date of the registrar, and much more—all at a very low cost.²⁹⁹ All a curious individual must do is go to whois.icann.org and type a domain name into the query box to get the various pieces of relevant information.³⁰⁰ This once again suggests a property right.

Although domain names are not readily characterized as property interests, domain names satisfy the fundamental requisites to being property. The nature of domain names as existing in the realm of the Internet—recognized as a “new and exciting medium for communication, electronic commerce, education, entertainment”³⁰¹—calls for a distinct appraisal of what is meant by property and contract. This Part does not suggest that because domain names can satisfy these three core property criteria that domain names are in fact property interests. Rather, for the purpose of defining registration, this Part aims to make it clear that the analysis of what constitutes registration cannot stop at the conclusion that because domain names are created by a contract, they should be evaluated under contract law principles.

B. A Broad Definition of Registration Must Be Maintained

Having discussed the unique nature of the domain name registration and maintenance process, that an analysis of the statute indicates Congress intended domain names to have property-like characteristics, and that domain names do in fact have property-like characteristics, registration must be defined within these constraints. This Comment argues that registration must take on an expansive definition—beyond *initial* and *re*-registration—in order to account for these findings.

First and foremost, the realities of the domain name registration and maintenance process call for a broad definition.³⁰² This is because, as the Ninth Circuit noted, registration, in the domain name context, can encompass a variety of meanings. It can include an update to the registration if the domain name holder’s contact or billing information changes; a switch to “private” registration (that is, “where a third party’s name is substituted for the [the domain name holder’s] in the public databases of domain name registration”); cases in which a domain name holder switches between registrars or changes the name of the registrant; or instances in which a registrant transfers both the domain and payment responsibilities to someone else.³⁰³ At any of these

299. Merrill & Smith, *supra* note 209, at 780–90; *see also supra* notes 278–87.

300. *See WHO Registered That?*, ICANN, <http://whois.icann.org/en> [perma: <http://perma.cc/KK9H-Q5DF>] (last visited May 30, 2018). For example, when I type “temple.edu,” into ICANN query box the name of the registrant, the administrative contact, and the technical contact is given. In addition, the address, telephone number, email address, nameservers, the date the domain name was activated and last updated, and when it expires are provided. *Id.* (search “temple.edu” in the query box).

301. S. REP. NO. 106-140, at 8 (1999).

302. *See supra* notes 40–50, 277–95 and accompanying text.

303. *GoPets Ltd. v. Hise*, 657 F.3d 1024, 1030–31 (9th Cir. 2011). It should be noted that none of these meanings or events that could qualify as a registration fall outside the ordinary meaning of the

junctures, the opportunity for a bad faith registration arises. Maintaining a broad definition ensures that the peculiar realities of the domain name system are taken into account.

Second, at any of those aforementioned junctures, the domain name holder has the potential to lose his or her rights to a domain name if any of the actions occur in bad faith. As discussed before, Congress recognized that domain names are a valuable property-like asset.³⁰⁴ Accordingly, an expansive definition that accounts for the various actions that could be conducted in bad faith is necessary to protect a domain name holder's property interest in his or her domain name.

Lastly, from a policy perspective, the ultimate purpose of this Act—to provide protection to American businesses, consumers, and online commerce³⁰⁵—would be hampered if registration were limited to initial *and* re-registration. This is for two distinct, yet related, reasons. The first is that a plaintiff may be apprehensive about pursuing litigation if she does not know what actions will predicate liability. This is because, as shown, the domain name registration system, maintenance process, and the available case law present a potential claimant with little guidance for interpreting whether a given action will fall under the ambit of the ACPA's registration hook. Adopting a broad definition provides the courts with wiggle room to determine whether an action could fall under the registration hook and will quell a potential claimant's apprehension about whether the remedy is available based on the alleged bad faith action.

Here, the second policy reason for a broad definition arises. If rightful domain name holders do not seek action, consumers and e-commerce may be hurt. This is so for any number of reasons—consumers may be apprehensive to engage in e-commerce unless websites are legitimately owned by the producer they believe them to be, businesses could be hurt from the lack of participation in e-commerce, and consumers may be hurt if they are deceived by a domain name or landing page of a particular domain name.

This Section ultimately seeks to illustrate that because of the undeveloped case law and the unique nature of the domain name system, registration must take on a flexible meaning in order to protect a domain name holder's property interest, and avoid the chilling effect on litigation that could come from the adoption of a static definition of the word. It should be noted that, with time, courts may flesh out a more concise definition or provide more examples of actions that can lead to liability under the registration hook. However, until then, a flexible definition is necessary to comport with Congress's intent, the realities of the domain name system registration and maintenance processes, and the policies underlying the Act.

word. *See supra* note 235 and accompanying text.

304. *See supra* notes 247–52 and accompanying text.

305. *See supra* notes 247–51 and accompanying text.

IV. CONCLUSION

Recognizing the deleterious effects of cybersquatting, Congress passed the ACPA to protect domain name holders' rights in their domain names. The dispute as to what types of rights a domain name holder has in her domain name and the actions that predicate a cybersquatting claim hinders the Act from being applied in its full force. That is, without resolving which actions lead to liability, potential claimants may be wary to litigate, consumers may be hurt, and ultimately, the purpose of the ACPA will be hampered. This Comment has set forth a framework that comports with statutory text, the underlying statutory purpose of the ACPA, and the nature of domain names in this digital age. By recognizing that domain names are a property-like interest, and that registration can encompass various actions in the domain name system context, the ACPA can most effectively be applied to halt the Internet's "cyber-pirates and shady dealers."³⁰⁶

306. 145 CONG. REC. 13,785 (1999) (statement of Sen. Hatch).