
Disparaging Domain Names Wrestled from Registrant Under ICAAN Policy

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Disparaging web sites created by disgruntled employees, consumers or cybersquatters are a rapidly growing phenomenon on the Internet. These sites often have Internet addresses that begin with a trademark owner's name and end with the "sucks.com" suffix, and thus are referred to as "sucks.com" sites. Recent cases involving sucks.com sites critical of Wal-Mart, Lucent and Bally Total Fitness demonstrate the measures some trademark owners have taken to wrestle these disparaging domain names from their holders. These cases also highlight the seemingly contradictory views that are being expressed in this area by arbitrators, on the one hand, and courts on the other.

As discussed in our [February 15, 2000 Internet Alert](#) and our [June 2, 2000 Internet Alert](#), there are currently two different systems under which domain name disputes are decided, one private (through arbitration under ICANN's Uniform Dispute Resolution Policy) and one public (through litigation in federal courts under the newly-enacted Anticybersquatting Consumer Protection Act and/or the Lanham Act). The interplay between these two systems can be delicate and unpredictable.

Recently, the WIPO Arbitration and Mediation Center - the first and most active private forum for deciding cybersquatter disputes under the ICANN Policy - [ordered](#) a number of "sucks.com" domain names critical of retail giant Wal-Mart, including "walmartcanadasucks.com," to be transferred from the registrant (a private Canadian citizen) to Wal-Mart.

The "walmartcanadasucks.com" registrant argued that his domain names should not be

transferred to Wal-Mart because:

1. "walmartcanadasucks.com" could not be "confusingly similar" to the Wal-Mart trademark because no consumer would believe that Wal-Mart was sponsoring a site critical of itself; and
2. his "sucks.com" sites were protected free speech because they were critical of Wal-Mart.

The WIPO arbitrator disagreed with both arguments. In reaching this result, the arbitrator relied on only two of a number of factors which courts typically consider when determining if there is any "likelihood of confusion" between the target's trademark and the sucks.com site. In the case, the arbitrator held that "walmartcanadasucks.com" and the registrant's other "sucks.com" sites were confusingly similar to the Wal-Mart trademark. Although the arbitrator conceded that Internet users "are not likely to conclude that [Wal-Mart] is the sponsor of the identified websites," he found that search engines were likely to identify these "sucks.com" sites in response to a "Wal-Mart" query. Internet users might then "choose to visit the sites, if only to satisfy their curiosity... [thereby] diverting potential customers" from Wal-Mart.

In addition, the WIPO arbitrator held that the registrant was not engaged in protected free speech by registering his "sucks.com" sites. Rather, the arbitrator likened this conduct to "extortion," because he had offered to act as a paid consultant for Wal-Mart in exchange for an implicit promise to transfer the "sucks.com" sites to Wal-Mart. The arbitrator stated that such "[a] demand for payment... is fundamentally inconsistent with the right of free expression."

In light of the Wal-Mart case, companies seeking to shut down sucks.com sites should document any attempts by the domain name owner to be paid in exchange for transfer of the disparaging domain name. The owner's willingness to accept money in return for giving up the domain name seems to be an important factor which convinced the WIPO arbitrator in the Wal-Mart case that extortion, and not a right of free expression, was involved.

In contrast to the WIPO decision, at least two federal courts have suggested that, under certain circumstances, the transfer of "sucks.com" domain names to trademark holders might not be ordered. For example, in [Lucent Technologies, Inc. v. LucentSucks.com](#), the federal court stated that "a showing that lucentSucks.com is effective parody and/or a [site] for critical commentary would seriously undermine the requisite elements" of trademark infringement,

including the element of a likelihood of confusion. Some have argued that the policy behind the Anticybersquatting Consumer Protection Act supports such a position, pointing to the [House Report](#), which notes: "comment, criticism, [or] parody...may be an appropriate indication that the person's registration or use of the domain name lack[s] "bad faith," and that the registration should thus not be transferred or canceled.

Likewise, a federal court examining the domain name "ballysucks.com" stated that "[n]o reasonable consumer comparing Bally's official web site with [the "sucks.com"] site would assume [the "sucks.com"] site 'to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner." (See [Bally Total Fitness Corp. v. Faber](#)).

These cases again highlight, as did our [June 2, 2000 Internet Alert](#), the need to carefully consider numerous tactical issues, including whether to choose an arbitral or judicial forum, for resolving domain name disputes.

Some companies seek to protect themselves by registering disparaging versions of their own domain names, company names and trademarks, in order to preempt the problems that arise from such "sucks.com" sites. The cost of registering domain names is relatively modest when compared to the expense of becoming involved in an ICANN arbitration or litigation which seeks to cancel or transfer such disparaging names. However, this approach offers only a measure of protection, given the nearly limitless number of disparaging domain names that can be constructed for any single domain name, let alone all of a company's domain names and trademarks.

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