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US Appeals Court Rejects Parody Defense in Domain Name Dispute

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The US Fourth Circuit Court of Appeals recently surprised some trademark law experts in People For The Ethical Treatment of Animals ("PETA") v. Doughney by dismissing the defendant's parody defense and deciding in favor of the plaintiff, the animal advocacy group, People for the Ethical Treatment of Animals ("PETA"). The court found that the registration of the domain name www.peta.org, used by the defendant to direct Internet users to a "parody" web site called "People Eating Tasty Animals," was not a legally valid parody and, therefore, constituted cybersquatting (see our December 7, 1999 Internet Alert) and trademark infringement.

Since the inception of the Internet, courts and arbitrators have struggled with the issue of fair use -- when may a party legally use another's trademark as part of a domain name? In response, courts have carved out specific defenses to infringement and unfair competition claims brought by trademark holders. Like gripe sites (see our September 13, 2000 Internet Alert), parody is a relatively common and well known defense that is rooted in First Amendment rights. Both copyright law and the Uniform Domain Name Dispute Resolution Policy ("UDRP") (see our February 15, 2000 Internet Alert) offer protection for true parody sites. The key to a successful parody defense is the balance between the trademark rights of the plaintiff and a defendant's First Amendment right to parody and criticize the

activities of the trademark owner. In the PETA case, the court held that copyright law permits a "parody," and defined it as a "simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner."

In the PETA decision, the Fourth Circuit appears to have narrowed the parody defense by looking solely at the domain name www.peta.org to determine whether a true parody exists. The court determined that the domain name www.peta.org, alone, did not "convey two simultaneous – and contradictory – messages: that it is the original, but also that it is not the original and is instead a parody." The court found that the domain name did not convey the second, contradictory message needed to establish a parody – the message that the domain name is not related to PETA, and is a parody of PETA. Although the defendant claimed that this second message was located in the content of the web site, the court rejected this argument as irrelevant because the two messages were clearly not "simultaneous." The court explained that it was concerned that "an internet user would not realize that they were not on an official PETA web site until after they had used PETA's Mark to access the web page." Since this second message was not communicated to the user concurrently with the domain name, it therefore was not a part of the court's examination.

This approach has some roots in the "initial interest confusion test" in trademark cases, evidenced by the court's finding that the infringement occurred not on the web site, but when users or prospective users typed www.peta.org into their browsers. At this point, users would have been unaware of the parody and would likely think that peta.org was a link to the real PETA organization, which would be able to provide them with legitimate information on PETA. Users would find out that www.peta.org is not related to the official PETA site only after entering the domain name into the browser.

This is an important issue for domain name disputes because, unlike most

publications and advertisements, a web site (parody or otherwise) can only be accessed by recognizing a domain name and then typing it into a browser or clicking on a link. Most information provided on the web site itself will appear only after the domain name has been entered. If a parody or criticism web site uses a domain name that copies another's trademark or that is itself confusingly similar to another's trademark, the domain name owner may have difficulty establishing that users would recognize the site as parody or as not officially sponsored simply in the context of seeing the domain name and not the site itself.

In contrast, as was discussed in our September 13, 2000 and July 30, 2001 Internet Alerts, disparaging web sites often have Internet addresses that begin with a trademark owner's name and end with the "sucks.com" suffix. The owner of the domain name of a disparaging web site should have an easier time showing that users would recognize the site as parody based on the domain name itself, without having to enter into the web site.

Also of interest is the court's finding that the defendant used the mark "in connection with goods or services," a crucial factor under the Lanham Act. The court held that the defendant did not need to have actually sold or advertised goods or services on www.peta.org to have "used" the mark in "connection with goods or services." He only needed to prevent users from obtaining or using PETA's goods or services, or have connected the web site to other's goods or services. The court determined that the defendant's use of the PETA mark "was likely to prevent or hinder Internet users from accessing plaintiffs' services on plaintiffs' own web site" by confusing and/or frustrating prospective users of plaintiffs' services.

Thus, although the court recognized and stressed the validity and importance of a party's First Amendment right to parody a trademark or service mark, the practical ramifications of the PETA decision may result in a narrowing of this right, even beyond parody uses.

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