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COMMERCIALSPEECH.COM: ACPA AND THE FIRST AMENDMENT

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To protect the rights and opportunities of trademark holders, the American government has limited the rights and opportunities of innocent domain name users. This Article argues that the Anti-Cybersquatting Consumer Protection Act unconstitutionally violates the commercial speech doctrine. Though the Act directly advances a substantial governmental interest, the statutory construction of the Act is more extensive than necessary. The Article therefore recommends that the Act be amended so that its scope applies only to true cybersquatters.

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“What's in a domain name? A lot more than you might think. Your domain name can be your first impression, your face to the outside world, and your new marketing plan.”¹

I. INTRODUCTION

Beginning in 1980, Uzi Nissan owned and operated an eponymous business.² Mr. Nissan's business continually evolved,³ but, despite his business's multiple reinventions, he constantly operated each enterprise under his Nissan surname.⁴ In order to provide computer-related information and services,⁵ Mr. Nissan registered www.nissan.com in 1994.⁶ For more than five years, www.nissan.com was used only to promote Mr. Nissan's computer business.⁷ Then in August 1999, Mr. Nissan posted a Nissan Computer logo, which Nissan Motors alleged to be confusingly similar to the latter's logo, and banner advertisements and web links to various Internet search engines and merchandising companies, including links to some automotive websites.⁸

In late 1999, Nissan Motors acted swiftly in response to this perceived threat to brand integrity. After unsuccessfully attempting to acquire the domain name from Nissan Computer extrajudiciously, Nissan Motors filed a complaint against Nissan Computer in the Central District of California alleging in part trademark dilution, trademark infringement, and domain name

¹ Yahoo! Domains, Domain Name Basics: What, Why, and How, <http://smallbusiness.yahoo.com/domains/domainfeatures.php> (last visited Apr. 11, 2008).

² *Nissan Motor Co. v. Nissan Computer Corp.*, 89 F. Supp. 2d 1154, 1157–58 (C.D. Cal. 2000) [hereinafter *Nissan C.D. Cal. I*] (addressing questions of personal jurisdiction, venue, and Nissan Motors's likelihood of success on the trademark infringement claim).

³ Mr. Nissan's businesses included car servicing, importing/exporting, and providing computer-related services. See Uzi Nissan, The Story, http://www.ncchelp.org/The_Story/the_story.htm (last visited Apr. 11, 2008).

⁴ *Id.*

⁵ See *Nissan Motor Co. v. Nissan Computer Corp.*, 204 F.R.D. 460, 461 (C.D. Cal. 2001) [hereinafter *Nissan C.D. Cal. II*] (denying Nissan Computer leave to file an amended answer with six state-law counterclaims).

⁶ *Id.*; see also WHOIS Domain Registration Information Search Results for Nissan.com, <http://www.networksolutions.com/whois/results.jsp?domain=nissan.com> (last visited Apr. 3, 2008).

⁷ See *Nissan C.D. Cal. II*, 204 F.R.D. at 461 (finding that after domain name registration of www.nissan.com by Mr. Nissan in 1994, the website initially consisted of computer-related information and services—only in 1999 was it changed to include a “Nissan Computer” logo allegedly confusingly similar to Nissan Motor's logo).

⁸ *Id.*

piracy.⁹ Nissan Motors alleged that Nissan Computer was irreparably harming Nissan Motors “as a result of [its] diversion of hundreds of thousands of potential and actual Nissan customers who arrive at [Nissan Computer’s] websites . . . in the mistaken belief that these websites are affiliated with, or sponsored by Nissan.”¹⁰ Nissan Motors sought damages of ten million dollars¹¹ and transfer of www.nissan.com from Nissan Computer.¹²

The Nissan dispute was reviewed by the District Court for the Central District of California,¹³ the Ninth Circuit Court of Appeals,¹⁴ and the United States Supreme Court.¹⁵ This conflict came at great expense to Mr. Nissan,¹⁶ but he defended himself against what some have critically described as, “heavy-handed actions,” “commercial terrorism,” and “childish, bullying tactics.”¹⁷

Although the litigation continued for some time thereafter, focusing mostly upon

⁹ See *Nissan C.D. Cal. I*, *supra* note 2, at 1157.

¹⁰ Appellees’ Responsive Brief at 1, *Nissan Motor Co. v. Nissan Computer Corp.*, 246 F.3d 675 (9th Cir. 2000) (No. 00-55678).

¹¹ Andrew Leonard, *Nissan vs. Nissan: Is a North Carolina Businessman a Cybersquatter Unfairly Pirating the Car Maker’s Brand Name, or Something Even Worse: A Spammer of Journalists?*, SALON, June 3, 2002, <http://dir.salon.com/story/tech/col/leon/2002/06/03/nissan/>.

¹² Reply Brief of Cross-Appellants at 1–2, *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004) (Nos. 02-57148, 03-55144, 03-55236).

¹³ See *Nissan C.D. Cal. I*, *supra* note 2; *Nissan C.D. Cal. II*, *supra* note 5; *Nissan Motor Co. v. Nissan Computer Corp.*, No. CV 99-12980 DDP (Mex), 2002 U.S. Dist. LEXIS 6488, at *20 (C.D. Cal. Jan. 7, 2002) [hereinafter *Nissan C.D. Cal. III*] (determining that Mr. Nissan was not a cyberpirate); *Nissan Motor Co. v. Nissan Computer Corp.*, 231 F. Supp. 2d 977, 981 (C.D. Cal. 2002) [hereinafter *Nissan C.D. Cal. IV*] (permanently enjoining Nissan Computer from posting commercial content, advertising, posting disparaging remarks or commentary regarding Nissan Motors, placing links to other websites containing commercial content, and placing links to other websites containing disparaging commentary regarding Nissan Motors on www.nissan.com); *Nissan Motor Co. v. Nissan Computer Corp.*, 180 F. Supp. 2d 1089 (C.D. Cal. 2002) (substantively unrelated to *Nissan C.D. Cal. I* and *Nissan C.D. Cal. II*).

¹⁴ See *Nissan Motor Co. v. Nissan Computer Corp.*, 246 F.3d 675 (9th Cir. 2000) [hereinafter *Nissan 9th Cir. I*] (affirming *Nissan C.D. Cal. I*, 89 F. Supp. 2d 1154); *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1020 (9th Cir. 2004) [hereinafter *Nissan 9th Cir. II*] (reversing in part *Nissan C.D. Cal. IV*, 231 F. Supp. 2d 977, and holding that injunctive relief should not restrain Nissan Computer from “placing links on nissan.com . . . to other sites that post negative commentary about Nissan Motor” because such relief “is overbroad, reaches non-commercial speech, and runs afoul of the . . . First Amendment” (emphasis omitted)).

¹⁵ *Nissan Motor Co. v. Nissan Computer Corp.*, 544 U.S. 974, 974 (2005) (denying cert.).

¹⁶ See Leonard, *supra* note 11 (“[Nissan Motors has] ruined my business and my marriage,” says Nissan, who claims to have spent \$2.2 million fighting the lawsuit. “They’ve ruined every aspect of my life.”).

¹⁷ People’s Opinion, http://www.ncchelp.org/Page_1/page_1.shtml (last visited Apr. 11, 2008) (compilation of ten thousand comments pertaining to the Nissan-Nissan conflict).

trademark claims, the District Court early on determined that Mr. Nissan did not violate the Anti-Cybersquatting Consumer Protection Act (“ACPA”) and was not a cyberpirate.¹⁸ Ultimately, Nissan Computer was largely exonerated of wrongdoing, and Mr. Nissan was permitted to continue to use www.nissan.com with few restraints.¹⁹ It remains concerning though that Nissan Motors could even plausibly allege a violation of the ACPA. This possibility exists because the ACPA’s definition of “bad faith” is not narrow enough to apply only to the conduct in which Congress claimed to have a substantial interest. Therefore, I believe that the ACPA, an attempt to legislate the serious problems posed by bad-faith cybersquatters, is unconstitutional under the commercial speech doctrine.

Concerns of the ACPA’s constitutionality should not be wholly surprising though since domain names are a form of communication that courts all too often neglect to consider as First Amendment-protected, commercial speech. For example, in *Reno v. American Civil Liberties Union*, the Supreme Court identified various methods of Internet communication. Conspicuously absent among the methods identified are domain names.²⁰ Though domain names were not directly relevant to *Reno*, domain names are one of the most obvious forms of online communication. “Domain names facilitate the public’s access to websites, and serve as the primary identifier of the source of information, products, or services.”²¹ They do so by serving as the addresses by which a user can access websites.²² The address is typically

¹⁸ *Nissan C.D. Cal. III*, *supra* note 13, at *20 (“Essentially, the statutory indicia of bad faith under the ACPA favor the defendant.”).

¹⁹ *See Nissan 9th Cir. II*, *supra* note 14, at 1020.

²⁰ *Reno v. ACLU*, 521 U.S. 844, 851 (1997) (“Anyone with access to the Internet may take advantage of a wide variety of communication and information retrieval methods. These methods are constantly evolving and difficult to categorize precisely. But, as presently constituted, those most relevant to this case are electronic mail (e-mail), automatic mailing list services (‘mail exploders,’ sometimes referred to as ‘listservs’), ‘newsgroups,’ ‘chat rooms,’ and the ‘World Wide Web.’”).

²¹ *Flentye v. Kathrein*, 485 F. Supp. 2d 903, 909 n.3 (N.D. Ill. 2007).

²² *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 777 n.2 (8th Cir. 2004).

expressed as an alpha-numeric mnemonic device that relates to the content of the website.²³ Website owners oftentimes register domain names to communicate to the Internet a message regarding the content of their website. For example, a domain name could consist of the name of the website owner or a trademark that the owner owns. Companies desire ownership of such domain names because many consumers who do not know the domain name of the company will first attempt to locate the company's website by visiting a domain name that contains a relevant trademark.²⁴ Nevertheless, when evaluating First Amendment issues on the Internet, courts instead tend to focus upon the content of websites rather than taking a holistic approach that takes into account domain names. Congress too failed to consider the full range of communicative qualities that domain names possess. In its drafting of the ACPA, Congress appears to have focused on intellectual property and trademark law jurisprudence rather than First Amendment law.

Though commercial speech is not as heavily protected as core speech,²⁵ certain protections are afforded to it.²⁶ The ACPA, however, does not afford commercial speech the protections it deserves under the test developed in *Central Hudson Gas & Electric Corp. v. Public Service Commission*. In that case, the Supreme Court recognized that commercial speech

²³ Jacqueline D. Lipton, *Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy*, 40 WAKE FOREST L. REV. 1361, 1365 (2005).

²⁴ See H.R. REP. NO. 106-412, at 5 (1999) (“[M]any consumers who do not know the domain name of a company will first try the principal trademark or trade name of that company to locate the company’s Web site.”); see also Adam Chase, *A Primer on Recent Domain Name Disputes*, 3 VA. J.L. & TECH. 3, ¶ 3 (1998), http://www.jvolt.net/vol3/issue/vol3_art3.pdf (“Currently, entering ‘acompanysname.com’ into a web browser may be the most reliable way to contact a company on-line. . . . Therefore, the right to use an easily ascertainable domain name may be invaluable.”). But see *Bihari v. Gross*, 119 F. Supp. 2d 309, 311–12 (S.D.N.Y. 2000) (“Because entering the company’s name as the domain name often fails to take the user to the desired webpage,” users choose which website to visit “based on the domain name listed for each search result and a brief description of each website provided by the search engine.”).

²⁵ See *Fla. Bar v. Went For It, Inc.*, 515 U.S. 618, 623 (1995) (“We have always been careful to distinguish commercial speech from speech at the First Amendment’s core. ‘[C]ommercial speech [enjoys] a limited measure of protection, commensurate with its subordinate position in the scale of First Amendment values’” (quoting *Bd. of Trs. of the State Univ. of N.Y. v. Fox*, 492 U.S. 469, 477 (1989))).

²⁶ See *infra* Part III.

“not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information.”²⁷

This Article will analyze and demonstrate this shortcoming at length. In Part II, the historic and present right of actions against cybersquatters will be analyzed. In so doing, the ACPA’s statutory provisions and legislative history will be examined. In Part III, the commercial speech doctrine will be introduced and analyzed. In Part IV, the commercial speech doctrine will be applied to the ACPA claim asserted in the *www.nissan.com* conflict. In light of Supreme Court opinions, it will be shown that the ACPA unconstitutionally infringes upon the constitutional right to register, traffic, and use a domain name.

II. CYBERSQUATTING LEGISLATED

A. The Underlying Problem

Domain names are assigned by registrars, who sell domain names on a first-come, first-served basis.²⁸ Because domain names are not pre-assigned, oftentimes a trademark owner will discover that a domain name containing his trademark has already been registered. Sometimes, the registration of a domain name with a famous mark is coincidental and without malice. For example, Clue Computing was formed in 1994 to engage in the business of computer consulting and registered *www.clue.com* as its domain name so as “to advertise its business.”²⁹ Hasbro, Inc., a manufacturer, designer, and marketer of children’s toys, owns the trademark for CLUE, a popular murder mystery board game.³⁰ Hasbro thereafter brought suit against Clue Computing, but a district court found that there was “no evidence that Clue Computing intended to create

²⁷ Cent. Hudson Gas & Elec. Corp. v. Public Serv. Comm’n, 447 U.S. 557, 561–62 (1980).

²⁸ H.R. REP. NO. 106-412, at 5 (1999).

²⁹ Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117, 119–20 (D. Mass 1999).

³⁰ *Id.* at 120.

confusion among consumers between its services and Hasbro's game."³¹ Sometimes, coincidences happen.

However, there are often instances where malice is the impetus for a domain name's registration. Malice is a common quality among cybersquatters who register domain names that contain famous marks. Cybersquatters "have no intention of using the domain name in commerce, and instead often attempt to exact money from a company in exchange for domain names that relate to that company's trademarks."³² A cybersquatter is an individual other than a trademark holder who registers a domain name containing that trademark and thereafter attempts to profit by either selling the domain name to the trademark holder or using the domain name to divert business from the trademark holder.³³ Attempting to profit by selling the domain name to the trademark holder is oftentimes referred to as "cyberpiracy." Cyberpirates "seek[] extortionate profits by reserving Internet domain names that are similar or identical to trademarked names with no intention of using the names in commerce themselves."³⁴ For example, a cybersquatter attempted to sell www.calripken.com to Hall of Fame baseball player Cal Ripken, Jr. for \$100,000.³⁵ Courts have expounded that "[t]he paradigmatic harm that the ACPA was enacted' to eradicate is 'the practice of cybersquatters registering several hundred domain names in an effort to sell them to legitimate owners of the mark."³⁶

Cybersquatters also harm intellectual property holders who lose business opportunities because domain names that incorporate their intellectual property divert consumers from their websites. The Senate Committee on the Judiciary reported the example of

³¹ *Id.* at 125.

³² H.R. REP. NO. 106-412, at 5-6 (1999).

³³ *DaimlerChrysler v. Net Inc.*, 388 F.3d 201, 204 (6th Cir. 2004).

³⁴ H.R. REP. NO. 106-412, at 6 (1999).

³⁵ Bénédicte Ghanassia, *Cybersquatting*, 6 CARDOZO EL. L. BULL. 11 (2000), <http://www.jus.unitn.it/cardoza/Review/Cyberlaw/cyb.htm>.

³⁶ *Lamparello v. Falwell*, 420 F.3d 309, 318 (4th Cir. 2005) (quoting *Lucas Nursery & Landscaping, Inc. v. Grosse*,

www.disneytransportation.com—a domain name for a website that “greet[s] online consumers at its site with a picture of Mickey Mouse and offers shuttle services in the Orlando area and reservations at Disney hotels, although the company is in no way affiliated with the Walt Disney Company and such fact is not clearly indicated on the site.”³⁷ Additionally, there are numerous derivative economic consequences related to cybersquatting. Cybersquatters could tarnish the quality and goodwill associated with a trademark depending upon the content that cybersquatters post at the registered domain name. For example, Gateway, Inc., a computer manufacturer, had to contend with a cyberpirate who placed pornographic images to www.gateway20000.com.³⁸ Similarly, the Senate Committee reported that it was informed of a parent whose child mistakenly visited www.dosney.com, hoping to access the Walt Disney website, “only to end up staring at a screen of hardcore pornography because a cybersquatter had registered that domain name in anticipation that consumers would make that exact mistake.”³⁹

Also, the mere existence of cybersquatters requires that intellectual property holders, potentially at great personal expense, police and enforce their rights, “or risk losing those rights entirely.”⁴⁰ In one recent case, it was noted that a cybersquatter’s registration and use of a domain name that diverted business from a trademark holder was a contributing factor in the holder’s loss of more than \$1.9 million in business and more than \$150,000 in attorney fees in bringing forth an ACPA suit.⁴¹ In light of these high costs, paying a cybersquatter’s ransom can be economically rational and prudent.

359 F.3d 806, 810 (6th Cir. 2004).

³⁷ S. REP. NO. 106-140, at 6 (1999).

³⁸ H.R. REP. NO. 106-412, at 6–7 (1999) (noting that Gateway ultimately resolved the conflict by paying \$100,000 to the cyberpirate).

³⁹ S. REP. NO. 106-140, at 6 (1999).

⁴⁰ H.R. REP. NO. 106-412, at 6 (1999).

⁴¹ *Lighthouse Plastics, LLC v. Lighthouse Plastics, LLC*, No. Civ.A. 3:03CV169 P-A, 2006 WL 1030003, at *6–8 (N.D. Miss. Apr. 14, 2006).

B. Responsive Legislation

I. Federal Trademark Dilution Act

Prior to the enactment of the ACPA, trademark dilution under the Federal Trademark Dilution Act of 1995 (“FTDA”) was the most effective cause of action against cybersquatters.⁴² The FTDA provides that the owner of a famous mark may be entitled “to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.”⁴³ Though the FTDA was primarily intended to apply against individuals who engage in trademark dilution,⁴⁴ some thought that it would apply against cybersquatters as well.⁴⁵ However, cybersquatters soon became quite competent at avoiding liability. The Senate Committee noted that many cybersquatters would avoid liability by “no longer offer[ing] the domain name for sale,”⁴⁶ since the mere offer of a sale can be evidence of a commercial use of the name.⁴⁷ Other issues that frequently arose included whether the registration and use of the domain name constitutes “commercial use,” whether the FTDA definition of dilution applies to cybersquatting

⁴² See S. REP. NO. 106-140, at 7 (1999) (“[T]he Federal Trademark Dilution Act has been useful in pursuing cybersquatters”); P. Wayne Hale, *The Anticyberquatting Consumer Protection Act & Sporty’s Farm L.L.C. v. Sportsman’s Market, Inc.*, 16 BERKELEY TECH. L.J. 205, 207 (2001) (“Before the enactment of the ACPA, trademark dilution was the most effective cause of action against cybersquatting.”).

⁴³ 15 U.S.C. § 1125(c)(1) (2000).

⁴⁴ See H.R. REP. NO. 104-374, at 2 (1995) (“The purpose of [the FTDA] is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion.”).

⁴⁵ See 141 CONG. REC. S19312-01 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy) (“[I]t is my hope that this anti-dilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.”).

⁴⁶ S. REP. NO. 106-140, at 7 (1999).

⁴⁷ 15 U.S.C. § 1125(d)(1)(B)(i)(VI) (1999); see also *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 270 (4th Cir. 2001) (“[T]he evidence establishes that at the time Virtual Works proposed to sell vw.net to Volkswagen, it was motivated by a bad faith intent to profit from the famousness of the VW mark. This is the sort of misconduct that Congress sought to discourage.”); Justin Graham, et. al, *Cybersquatting: The Latest Challenge in Federal Trademark Protection*, 2001 DUKE L. & TECH. REV. 9, ¶ 5 (2001), <http://www.law.duke.edu/journals/dltr/articles/2001dltr0009.html> (“Thus, a cybersquatter who merely holds a domain name cannot normally be held liable for trademark dilution.”); Paul Edward Kim, *Preventing Dilution of the Federal Trademark Dilution Act: Why the FTDA Requires Actual Economic Harm*, 150 U. PA. L. REV. 719, 719 (2001) (“Judicial interpretation of the Federal Trademark Dilution Act . . . has been unnecessarily inconsistent.”).

at all, whether the domain name registrant was making a legitimate use of the domain, and the limitations on relief provided by the FTDA.⁴⁸

2. Anti-Cybersquatting Consumer Protection Act

Congress drafted the ACPA to respond to the aforementioned shortcomings of the FTDA⁴⁹ and to better protect the owners of trademarks from abuse by domain cybersquatters.⁵⁰ The ACPA prohibits a person from registering, trafficking in, or using a domain name that is identical or confusingly similar to a trademark, where said person has bad faith intent to profit from the trademark.⁵¹ If a person violates these prohibitions and engages in cybersquatting, the owner of the trademark has a right of action against the cybersquatter with remedies that include transfer of the domain name to the trademark owner and recovery of up to \$100,000.⁵²

The House Committee on the Judiciary was referred the ACPA in bill form after the Subcommittee on Courts and Intellectual Property discovered through multiple hearings that intellectual property holders must concern themselves with cybersquatters who may “put

⁴⁸ DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW 414 (2002).

⁴⁹ The ACPA eliminated many of the issues associated with asserting a federal claim against cybersquatters under the FTDA by allowing for its application regardless of the commercial nature of a domain name’s use, explicitly authorizing application against cybersquatters, and increasing the variety of permissible remedies. *See, e.g.*, *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 495 (2d Cir. 2000) (“[T]he ACPA was passed to remedy the perceived shortcomings of applying the FTDA in cybersquatting cases . . .”).

⁵⁰ H.R. REP. NO. 106-412, at 5 (1999).

⁵¹ The relevant part of the ACPA 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.

15 U.S.C. § 1125(d)(1)(A) (2000).

pornographic materials on these [sic] sites in an effort to increase the likelihood of collecting ransom by damaging the integrity of a mark.”⁵³ The House Committee reported favorably upon the bill believing that intellectual property holders need to be protected by the intrusive annoyances of cybersquatters.⁵⁴ Soon thereafter, the Senate Committee on the Judiciary reviewed the bill.⁵⁵ Finding that the bill was meant “to protect consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners,”⁵⁶ the Senate Committee reported favorably upon the bill and recommended that the bill pass.⁵⁷

On November 29, 1999, President Clinton signed the bill into law.⁵⁸ The ACPA prohibits persons from registering, trafficking, or using in bad faith a domain name that is identical or confusingly similar to a mark that is distinctive at the time of registration or that is identical, confusingly similar, or dilutive of a mark that is famous at the time of registration, or that is otherwise protected. The ACPA notes that whether a person who registers, traffics or uses a domain name had bad faith can be evaluated upon factors including:

- (I) the trademark or other intellectual property rights of the person, if any, in the domain name;
- (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;
- (III) the person’s prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;
- (IV) the person’s bona fide noncommercial or fair use of the mark in a site accessible under the domain name;
- (V) the person’s intent to divert consumers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill

⁵² See 15 U.S.C. §1117(d) (2000).

⁵³ H.R. REP. NO. 106-412, at 5.

⁵⁴ See *id.* at 1.

⁵⁵ S. REP. NO. 106-140, at 4 (1999).

⁵⁶ *Id.*

⁵⁷ *Id.* at 1.

⁵⁸ U.S. DEP’T OF COMMERCE, U.S. PATENT AND TRADEMARK OFFICE WITH INPUT FROM THE FED. ELECTION COMM’N, REPORT TO CONGRESS: THE ANTICYBERSQUATTING CONSUMER PROTECTION ACT OF 1999, SECTION 3006 CONCERNING THE ABUSIVE REGISTRATION OF DOMAIN NAMES 1 (2001).

represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous⁵⁹

The House Committee noted that these nine factors are meant to balance the interests of trademark owners with the "legitimate interests of Internet users and others who seek to make lawful uses of others' marks, including for purposes such as comparative advertising, comment, criticism, parody, news reporting, [and] fair use, etc."⁶⁰ The Senate Committee further clarified this point by noting that the use of a contested domain name for a site that makes a noncommercial or fair use of a mark does not necessarily prevent a claim under the ACPA since the domain name holder may still have had bad faith. The Senate Committee expounded that "[t]o recognize such an exemption would eviscerate the protections of the bill by suggesting a blueprint for cybersquatters who would simply create criticism sites in order to immunize themselves from liability despite their bad-faith intentions."⁶¹

The factors collectively suggest that courts should consider all evidence that relates to the

⁵⁹ 15 U.S.C. § 1125(d)(1)(B)(i) (2000).

⁶⁰ H.R. REP. NO. 106-412, at 10 (1999).

⁶¹ S. REP. NO. 106-140, at 9 (1999).

intent of the alleged cybersquatter.⁶² However, neither the statute nor the courts have articulated how to weigh the factors. Since the factors are noted to be permissive and not limited, courts should not use them as “substitute[s] for careful thinking about whether the conduct at issue is motivated by a bad faith intent to profit.”⁶³ Because the “courts do not simply count which party has more factors in its favor after the evidence is in,”⁶⁴ the intent analysis consequently tends to be somewhat ad hoc.

Though definite as to what type of behavior could evidence bad faith, the ACPA does not clearly describe what constitutes registering, trafficking in, or using a domain name. Legal sources only limitedly explain what constitutes registering, trafficking in, or using a domain name. The statute nowhere defines “registering” a domain name. Courts have accepted the common meaning as its definition—registering a domain name is the act of becoming the “legal owner of the domain name,”⁶⁵ which is achieved by purchasing and registering the domain name with a domain name registrar.⁶⁶ By contrast, the statute states that a person “traffics in” a domain name when he is involved in “transactions that include . . . transfer for consideration or receipt in exchange for consideration.”⁶⁷ Some courts have clarified that “‘traffics in’ contemplates a direct transfer or receipt of ownership interest in a domain name to or from the defendant.”⁶⁸ The statute also clarifies that one may not be held liable for “using a domain

⁶² See H.R. REP. No. 106-412, at 10 (Regarding the factors set forth in 15 U.S.C. § 1125(d)(1)(B)(i), “the first four suggest circumstances that may tend to indicate an absence of bad-faith *intent* to profit from the goodwill of a mark, and the others suggest circumstances that may tend to indicate that such bad-faith *intent* exists.”) (emphases added).

⁶³ *Lucas Nursery & Landscaping, Inc.*, 359 F.3d at 811. See also Hale, *supra* note 42, at 227 (“Congress gave courts broad discretion in determining liability but at the same time provided guidance to the courts in the form of a multi-factor test with limitations.” (internal citations omitted)).

⁶⁴ *Harrods Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214, 234 (4th Cir. 2002).

⁶⁵ See *Korb v. Maxmedia, Inc.*, Nos. 05-74154, 06-11221, 2007 WL 734423, at *1 (E.D. Mich. Mar. 9, 2007).

⁶⁶ See *Philip Morris USA, Inc. v. Otamedia Ltd.*, 331 F. Supp. 2d 228, 230 (S.D.N.Y. 2004) (“To acquire a domain name, a company must purchase and register it with one of several registrars, including Network Solutions Inc. For an annual fee, the registrant receives control over the domain name, which it can use to store information and create a website.”).

⁶⁷ 15 U.S.C. § 1125(d)(1)(E) (2000).

⁶⁸ See *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 645 (E.D. Mich. 2001).

name” unless he is the domain name’s “registrant or that registrant’s authorized licensee.”⁶⁹ These subsections then indicate that the ACPA only applies against individuals who have legal possession over a domain name.

III. COMMERCIAL SPEECH DOCTRINE

Though the Supreme Court historically treated commercial speech as entirely unprotected by the First Amendment,⁷⁰ the Court now recognizes that the First Amendment protects commercial speech.⁷¹ However, the breadth of protection provided by the commercial speech doctrine is unclear.⁷² In fact, the commercial speech doctrine has been construed to be a rather narrow doctrine.⁷³ Despite its narrowness, the commercial speech doctrine can apply to situations that deviate from the more typically applied factual scenarios that involve advertisements in handbills or newspapers.⁷⁴

A. How Is “Commercial Speech” Defined?

“[N]ot once has the Court defined ‘commercial speech’ with exactitude, let alone with a

⁶⁹ 15 U.S.C. § 1125(d)(1)(D) (2000).

⁷⁰ See *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942) (“We are equally clear that the Constitution imposes no such restraint on government as respects purely commercial advertising.”).

⁷¹ See *Bigelow v. Virginia*, 421 U.S. 809, 818 (1975) (“The central assumption made by the Supreme Court of Virginia was that the First Amendment guarantees of speech and press are inapplicable to paid commercial advertisements. Our cases, however, clearly establish that speech is not stripped of First Amendment protection merely because it appears in that form.”).

⁷² Although the extent of protection has not been unambiguously articulated and accepted as law, it is clear that commercial speech is usually not afforded the same protection under the First Amendment as is non-commercial speech. See *Zauderer v. Office of Disciplinary Counsel of the Supreme Court*, 471 U.S. 626, 637 (1985) (“There is no longer any room to doubt that what has come to be known as ‘commercial speech’ is entitled to the protection of the First Amendment, albeit to protection somewhat less extensive than that afforded ‘noncommercial speech.’”).

⁷³ More than a quarter-century ago, Justice Stevens articulated the rationale for narrowing the scope of the doctrine. He explained, “it is important that the commercial speech concept not be defined too broadly lest speech deserving of greater constitutional protection be inadvertently suppressed.” *Cent. Hudson*, 447 U.S. at 579 (Stevens, J., concurring). Following this rationale, the jurisprudence that has since developed has kept the scope of the doctrine “very narrow.” See, e.g., Bruce E. H. Johnson & Ambika K. Doran, *Amendment XXVIII? Defending Corporate Speech Rights*, 58 S.C. L. REV. 855, 859 n.29 (2007) (“[T]he category [of commercial speech] is very narrow and generally involves speech which does no more than propose a commercial transaction.” (internal quotation marks omitted)).

⁷⁴ See, e.g., *Valentine*, 316 U.S. 52 (1942) (handbill advertisement); *Bigelow*, 421 U.S. 809 (1975) (newspaper advertisement); *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976) (advertisement of prescription drug prices); *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60 (1983) (unsolicited

degree of precision that would enable the lower federal courts to decide cases consistently and predictably.”⁷⁵ The Court has articulated numerous definitions of “commercial speech” and yet never unambiguously embraced any individual articulation. Though it has been noted by Jonathan W. Emord that the lack of definitional agreement has caused commercial speech cases to be evaluated on an ad hoc basis,⁷⁶ there remain at least some frameworks with which commercial speech can be identified.

The Court has expressed numerous definitions of commercial speech. In *Bigelow v. Virginia*, the Court first recognized commercial speech as protected under the First Amendment. The Court treated appellant’s advertisement for services for “women with unwanted pregnancies”⁷⁷ as protected commercial speech because it “did more than simply propose a commercial transaction.”⁷⁸ The “advertisement conveyed information of potential interest and value to a diverse audience-not only to readers possibly in need of the services offered, but also to those with a general curiosity about, or genuine interest in, the subject matter or the law of another State and its development, and to readers seeking reform in Virginia.”⁷⁹ In evaluating whether an advertisement did propose a commercial transaction, the Court considered the “motives, means, and messages” of the advertisement.⁸⁰ This factual mode of inquiry lends support to Emrod’s claim of an ad hoc analysis of commercial speech cases.

Shortly after articulating the “more than propose a commercial transaction” definition of commercial speech, the Court provided policy rationales for the definition. In *Virginia State Bd.*

mailings of advertisements).

⁷⁵ Jonathan W. Emord, *Contrived Distinctions: The Doctrine of Commercial Speech in First Amendment Jurisprudence*, 161 CATO POL’Y ANALYSIS 1, 2 (1991), available at <http://www.cato.org/pubs/pas/pa-161.html>.

⁷⁶ See *id.* at 4 (“[T]he Court’s ‘definitions’ make it quite impossible to determine in the vast majority of cases with a reasonable degree of certainty whether the speech in issue is commercial or noncommercial and, therefore, protected or largely unprotected.”).

⁷⁷ *Bigelow*, 421 U.S. at 812.

⁷⁸ *Id.* at 822.

⁷⁹ *Id.*

of *Pharmacy v. Virginia Citizens Consumer Council, Inc.*, the Court suggested that speech with commercial elements can also contain ideas that may relate to truth, science, morality, arts, and politics, and that as such, commercial speech should receive First Amendment protection.⁸¹ Additionally, the Court amended its definition of commercial speech by suggesting that it is speech that does “no more than propose a commercial transaction.”⁸² Though it appears only to be a slight linguistic change, the *Virginia State Bd. of Pharmacy* definition of commercial speech represents an important departure from the *Bigelow* definition. Rather than having a broad reading of commercial speech that can include speech which is typically stringently protected by the First Amendment doctrines, the *Virginia State Bd. of Pharmacy* definition limits commercial speech to speech that is only commercial in nature—speech that does not fit in any other prior created compartment of the First Amendment doctrine.

The Court attempted to clarify the *Virginia State Bd. of Pharmacy* definition of commercial speech shortly thereafter, but it provided little guidance in so doing. In *Ohralik v. Ohio State Bar Ass’n*, the Court attempted to clarify what constituted commercial speech by suggesting that a proposal of a commercial transaction can be identified using “common-sense.”⁸³ Common sense, though, is often difficult to pinpoint.⁸⁴

Shortly thereafter, the Court re-expanded its understanding of what constitutes commercial speech by introducing a definition that can be considered simultaneously with the *Virginia State Bd. of Pharmacy–Ohralik* “common-sense” analysis of what commercial speech does “no more than propose a commercial transaction.” In *Central Hudson Gas & Electric*

⁸⁰ *Id.* at 826.

⁸¹ *See Va. State Bd. of Pharmacy*, 425 U.S. at 762.

⁸² *Id.* (quoting *Pittsburgh Press Co. v. Human Relations Comm’n*, 413 U.S. 376, 385 (1973)).

⁸³ *Ohralik v. Ohio State Bar Ass’n*, 436 U.S. 447, 455–56 (1978).

⁸⁴ *Cf. VOLTAIRE, DICTIONNAIRE PHILOSOPHIQUE* 213 (1839) (“On dit quelquefois, le sens commun est fort rare; que signifie cette phrase?” (internal quotation marks omitted)).

Corp. v. Public Service Commission, the Court’s opinion noted that commercial speech “not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information.”⁸⁵ Justice Stevens noted in his concurring opinion that the *Virginia State Bd. of Pharmacy–Ohralik* definition was unduly broad:

[I]t seems clear to me that it encompasses speech that is entitled to the maximum protection afforded by the First Amendment. Neither a labor leader's exhortation to strike, nor an economist's dissertation on the money supply, should receive any lesser protection because the subject matter concerns only the economic interests of the audience. Nor should the economic motivation of a speaker qualify his constitutional protection; even Shakespeare may have been motivated by the prospect of pecuniary reward.⁸⁶

Justice Stevens thereafter noted that the *Virginia State Bd. of Pharmacy–Ohralik* explanation of what constitutes commercial speech was too undeveloped for application to actual scenarios. He again listed numerous scenarios where the definition would be met and concluded that “[w]hatever the precise contours of the concept, and perhaps it is too early to enunciate an exact formulation, . . . it should not include the entire range of communication that is embraced within the term ‘promotional advertising.’”⁸⁷

With Justice Stevens’s strong, rebuking concurrence likely in mind, the Court soon attempted to enunciate a factorial analysis of what constitutes a proposal of a commercial transaction. In *Bolger v. Youngs Drug Products Corp.*, the Court analyzed a contraceptive manufacturer/distributor’s challenge of a federal statute that prohibited unsolicited mailings of contraceptive advertisements. The mailings, however, were entirely informational in nature and did not overtly propose a commercial transaction.⁸⁸ Consequently, the Court articulated a

⁸⁵ *Cent. Hudson*, 447 U.S. at 561–62.

⁸⁶ *Id.* at 579–80 (Stevens, J., concurring).

⁸⁷ *Id.* at 580 (Stevens, J., concurring).

⁸⁸ *Bolger*, 463 U.S. at 66.

factorial characterization of what could constitute a proposal of commercial speech. The Court considered whether the speech (1) was an advertisement, (2) referenced a specific product, and (3) was economically motivated.⁸⁹ The presence of a single factor alone does not suffice to create commercial speech; instead, several factors need to be present.⁹⁰ The analysis clearly invokes Justice Stevens’s analysis in *Central Hudson* where he suggested that the *Virginia State Bd. of Pharmacy–Ohralik* definition could “encompass *advertising* that advises possible buyers of the availability of *specific products* at specific prices and describes the *advantages of purchasing* such items.”⁹¹ The emphasized words are quite similar to the factors identified by the Court.

As suggested earlier, the Court has had difficulty in maintaining a steady forward-moving progression in this area of its jurisprudence. Sometimes, the Court has gone back and forth between restrictive and broader definitions of commercial speech. For example, in *Board of Trustees of the State University of New York v. Fox*, the Court reverted back to a “propose a commercial transaction” definition and dropped the “no more than” prefix.⁹² Curiously though, the Court cited to *Virginia State Bd. of Pharmacy* as the source of the definition rather than *Bigelow*. Thus, it is unclear whether the Court intended either to expand the commercial speech doctrine to include more speech as in *Bigelow* or to maintain a narrow doctrine. The Court has not since spoken definitively as to what type of policy it intended.

⁸⁹ *Id.* at 66–67.

⁹⁰ *Id.* As the Court explained in *Bolger*:

The mere fact that these pamphlets are conceded to be advertisements clearly does not compel the conclusion that they are commercial speech. Similarly, the reference to a specific product does not by itself render the pamphlets commercial speech. Finally, the fact that Youngs has an economic motivation for mailing the pamphlets would clearly be insufficient by itself to turn the materials into commercial speech. . . . The combination of *all* these characteristics, however, provides strong support for the District Court's conclusion that the informational pamphlets are properly characterized as commercial speech.

Id. (internal citations omitted).

⁹¹ *Cent. Hudson*, 447 U.S. at 580 (Stevens, J., concurring) (emphases added).

B. *The Central Hudson Test*

Commercial speech is not by its existence alone protected by the First Amendment. In *Central Hudson*, the Court articulated an analytical framework to determine whether government regulation is permissible:

For commercial speech to come within [the protection of the First Amendment], it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.⁹³

The First Amendment does not protect commercial speech that is misleading or proposes an illegal transaction. Such communication is unprotected because “[t]he First Amendment . . . does not prohibit the State from insuring that the stream of commercial information flow [sic] cleanly as well as freely.”⁹⁴ To pollute the marketplace with false, deceptive, or misleading information would exact significant harm on private economic and social decision-making,⁹⁵ and the government has long been found to have a right to regulate such harmful speech.

The government must also assert a substantial interest in regulating the speech. Whether an interest is in fact substantial depends upon what the legislature defined as its interest.⁹⁶ Accepted substantial interests that a legislature may have include the broad interests in “preserving the quality of life in the community at large,”⁹⁷ “attempting to preserve the quality of urban life,”⁹⁸ protecting the “health, safety, and welfare of its citizens,”⁹⁹ and “promoting safety

⁹² *Fox*, 492 U.S. at 473 (1989).

⁹³ *Cent. Hudson*, 447 U.S. at 566.

⁹⁴ *Va. State Bd. of Pharmacy*, 425 U.S. at 771–72.

⁹⁵ See Lillian R. BeVier, *The First Amendment and Political Speech: An Inquiry into the Substance and Limits of Principle*, 30 STAN. L. REV. 299, 355 (1978).

⁹⁶ See Joshua A. Marcus, *Commercial Speech on the Internet: Spam and the First Amendment*, 16 CARDOZO ARTS & ENT. L.J. 245, 293 (1998).

⁹⁷ *City of Renton v. Playtime Theatres, Inc.*, 475 U.S. 41, 54 (1986).

⁹⁸ *Young v. Am. Mini Theatres, Inc.*, 427 U.S. 50, 71 (1976).

⁹⁹ *Posadas de Puerto Rico Assocs. v. Tourism Co.*, 478 U.S. 328, 341 (1986).

and security, preventing commercial exploitation of students, and preserving residential tranquility.”¹⁰⁰ Courts are unusually deferential towards legislatures’ definition of substantial interests, but legislatures must have some basis to believe that the interest is substantial. In *City of Renton v. Playtime Theatres, Inc.*, Justice Rehnquist noted that original studies or independent evidence are not necessary to demonstrate the existence of a substantial interest.¹⁰¹ Instead, legislatures may rely upon “whatever evidence . . . is reasonably believed to be relevant to the problem that the [legislature] addresses.”¹⁰² Thus, the substantial interest prong of the *Central Hudson* test does not appear to be particularly difficult for the government to prove.¹⁰³

Additionally, the enacted regulatory technique must be proportional to the interest served such that the regulation is “designed carefully to achieve the State’s goal.”¹⁰⁴ The Court explained the proportionality requirement. “First, the restriction must directly advance the state interest involved Second, if the governmental interest could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive.”¹⁰⁵ In other words, the interest need be directly advanced by the regulation, and the regulation cannot extend to speech that poses no danger to the asserted state interest.¹⁰⁶ Regulations that “only indirectly advance the state interest involved” will not be upheld.¹⁰⁷ Therefore, the regulation must actually alleviate the harms at which the regulation is directed “to a material degree.”¹⁰⁸

Whether a regulation extends to speech that poses no danger to the asserted state interest

¹⁰⁰ *Fox*, 492 U.S. at 475.

¹⁰¹ *Playtime Theatres, Inc.*, 475 U.S. at 50–52.

¹⁰² *Id.* at 51–52.

¹⁰³ See generally Floyd Abrams, *Good Year for the Press, But Not for Advertisers*, NAT’L L. J., Aug. 11, 1986, at S13 (noting that First Amendment cases decided in 1986, and particularly *Posadas*, “embody a major step toward sustaining the very paternalism of government that protection of commercial speech was supposed to avoid”).

¹⁰⁴ *Cent. Hudson*, 447 U.S. at 564.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.* at 564–65.

¹⁰⁷ *Id.* at 564.

¹⁰⁸ *Edenfield v. Fane*, 507 U.S. 761, 770–71 (1993).

is essentially a type of overbreadth analysis.¹⁰⁹ The regulation needs to be “narrowly drawn” such that only speech that poses a danger to the government’s substantial interest can be regulated.¹¹⁰ Likewise, a narrower restriction on the speech cannot better serve the interest.¹¹¹ Nevertheless, the “[g]overnment is not required to employ the least restrictive means conceivable, but it must demonstrate . . . ‘a fit that is not necessarily perfect, but reasonable; that represents not necessarily the single best disposition but one whose scope is in proportion to the interest served.’”¹¹²

IV. DOMAIN NAMES AS COMMERCIAL SPEECH

Like a commercial speech analysis, an ACPA analysis “requires a ‘particularistic, context-sensitive analysis . . . including analyses of the domain name itself, the way the domain name is being used, the motivations of the author of the website in question, [and] the contents of the website.’”¹¹³ In short, the ACPA mandates an “inquiry . . . that fully addresses particular circumstances presented with respect to each domain name.”¹¹⁴

A. Is Registering, Trafficking, or Using a Domain Name Speech?

The ACPA does not restrict pure speech.¹¹⁵ Instead, the ACPA’s restrictions upon ownership, traffic, and registration of domain names appear to be restrictions upon conduct. Though a strict reading of the First Amendment’s text appears to contemplate only pure

¹⁰⁹ *But see* Vill. of Hoffman Estates v. Flipside, Hoffman Estates, Inc., 455 U.S. 489, 496–97 (1982) (“Finally, it is irrelevant whether the ordinance has an overbroad scope encompassing protected commercial speech of other persons, because the overbreadth doctrine does not apply to commercial speech.”).

¹¹⁰ *Cent. Hudson*, 447 U.S. at 565 (citing *In re Primus*, 436 U.S. 412, 438 (1978)).

¹¹¹ *Id.*

¹¹² *Greater New Orleans Broad. Ass’n, Inc. v. United States*, 527 U.S. 173, 188 (1999) (quoting *Fox*, 492 U.S. at 480).

¹¹³ *Sunlight Saunas, Inc. v. Sundance Sauna, Inc.*, 427 F. Supp. 2d 1032, 1057 (D. Kan. 2006) (alterations in original) (quoting *Name.Space, Inc. v. Network Solutions, Inc.*, 202 F.3d 573, 586 (2d Cir. 2000)).

¹¹⁴ *Id.*

¹¹⁵ Many courts have noted that a domain name *may* constitute pure speech. *See, e.g., Sunlight Saunas*, 427 F. Supp. 2d at 1057 (“Domain names may constitute expressive speech.”); *Taubman Co. v. Webfeats*, 319 F.3d 770, 778 (6th Cir. 2003) (“The rooftops of our past have evolved into the internet domain names of our present. We find

speech,¹¹⁶ courts have interpreted the First Amendment to protect certain conduct that is intertwined with speech.¹¹⁷

The Court held in *Spence v. Washington* that the First Amendment may protect expressive conduct if “[a]n intent to convey a particularized message was present, and in the surrounding circumstances the likelihood was great that the message would be understood by those who viewed it.”¹¹⁸ Registering a domain name is expressive conduct protected by the First Amendment. Regardless of whether the domain name is registered by the trademark holder or a cybersquatter, the mere act of registration conveys a message to the registrar that the registrant is not legally encumbered from claiming the domain name.¹¹⁹ Given the numerous legal mechanisms intended to eliminate cybersquatting, the registrar would understand the message the registrant makes.

Using a domain name also is expressive conduct. As noted earlier, “registering” and “using” a domain name appear to be closely related to having a legal right of possession in a domain name. While “registering” involves the original act of laying a legal claim to a domain name, “using” a domain name involves the ongoing act of possessing a domain name. Accordingly, someone who uses a domain name intends to convey a message to Internet users that the domain name is related to the content of the website. And there is a great likelihood that

that the domain name is a type of public expression, no different in scope than a billboard or a pulpit . . .”).

¹¹⁶ U.S. CONST. amend. I (“Congress shall make no law . . . abridging the freedom of speech, or of the press . . .”).

¹¹⁷ See, e.g., *Texas v. Johnson*, 491 U.S. 397, 404 (1989) (“[W]e have acknowledged that conduct may be ‘sufficiently imbued with elements of communication to fall within the scope of the First and Fourteenth Amendments.’” (citing *Spence v. Washington*, 418 U.S. 405, 409 (1974))).

¹¹⁸ *Spence*, 418 U.S. at 410–11. This holding expanded the Court’s earlier finding that when “[t]he only ‘conduct’ which the State [seeks] to punish is the fact of communication,” it is as though the State has only criminalized speech. See *Cohen v. California*, 403 U.S. 15, 18 (1971); see also *Hess v. Indiana*, 414 U.S. 105, 107–08 (1973) (analyzing a disorderly conduct conviction under First Amendment jurisprudence, including *Brandenburg v. Ohio*, 395 U.S. 444 (1969), because the conviction rested upon “only spoken words”).

¹¹⁹ Cf. *Internet Corp. for Assigned Names and Nos., Rules for Uniform Domain Name Dispute Resolution Policy* ¶ 3 (1999), <http://www.icann.org/udrp/udrp-rules-24oct99.htm>.

Internet users would rely upon domain names in their attempts to search for specific content.¹²⁰

So, too, trafficking is expressive conduct. Someone who traffics in domain names intends to convey to potential customers that he has a legal interest in the domain names, and the potential customers would likely understand that the domain name trafficker does have a legal right to traffic in particular domain names.¹²¹

B. Is Owning, Trafficking, or Registering a Domain Name Commercial Speech?

Regardless of whether the courts were to apply a restrictive or broad interpretation of the meaning of “commercial speech,” it is clear that the expressive conduct regulated by the ACPA does constitute commercial speech. All of the commercial speech definitions require that, at minimum, a commercial transaction has been proposed.¹²² The Court has expounded that when it is unclear whether a commercial transaction has been proposed, commercial speech can still be evidenced by determinations that the speech was an advertisement, referenced a specific product, and was economically motivated.¹²³

Registering and using domain names both constitute commercial speech. At their very core, these acts propose a commercial transaction. Registering and using both relate to the ownership and possession of domain names.¹²⁴ To register a domain name, the registrant must

¹²⁰ See *supra* notes 21–24 and accompanying text (Internet users may either directly visit a domain name that contains a famous mark in an attempt to find a website related to the mark, or use search engines that consider domain names in their production of lists of relevant websites.).

¹²¹ See Michael B. Landau, *Problems Arising Out of the Use of “WWW.TRADEMARK.COM”*: *The Application of Principles of Trademark Law to Internet Domain Name Disputes*, 13 GA. ST. U. L. REV. 455, 515 (1997) (“The registrant, by completing and submitting its [registration] application, represents that the registration of the selected Domain Name, to the best of the Registrant’s knowledge, does not interfere with or infringe upon the rights of any third party.”).

¹²² See generally *Bigelow*, 421 U.S. at 822 (Commercial speech does “more than simply propose a commercial transaction.”); *Va. State Bd. of Pharmacy*, 425 U.S. at 762 (Commercial speech does “no more than propose a commercial transaction.” (quoting *Pittsburgh Press Co.*, 413 U.S. at 385)); *Ohralik*, 436 U.S. at 455–56 (Commercial speech involves a proposal of a commercial transaction that can be identified using “common-sense.”); *Cent. Hudson*, 447 U.S. at 561–62 (Commercial speech “not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information.”).

¹²³ *Bolger*, 463 U.S. at 66–67.

¹²⁴ See *supra* notes 65–66, 69 and accompanying text.

provide information and a fee to a registrar who will provide the registrant with a contract providing access to the domain name.¹²⁵ To use a domain name, one must have either already registered a domain name or otherwise become the registrant's authorized licensee.¹²⁶ Becoming an authorized licensee requires the consent of the registrant and is frequently formalized by implementation of a contractual agreement that provides licensee and registrant alike with legal rights.

In addition to proposing commercial transactions by the very initial act of registering or acquiring license to a domain name, a user continually proposes commercial transactions with the public by mere possession of a domain name. The user proposes to the public that the public should visit the user's website and receive information and services which presumably relate to the content of the domain name. In exchange, the user benefits in numerous ways. From a non-commercial perspective,¹²⁷ if a websurfer visits the user's website, the user attracts more Internet traffic and increases his Internet presence. From a commercial perspective, the user may be able to consummate financial transactions where a third-party pays the user to post advertisements that websurfers would see or a websurfer purchases some good or service from the user.¹²⁸

But even where the user did not overtly attempt to benefit economically, he may still be engaging in commercial activity.¹²⁹ This argument is enhanced by the *Bolger* commercial

¹²⁵ See *Dorer v. Arel*, 60 F. Supp. 2d 558, 561 (E.D. Va. 1999) (“[D]omain name registration is the product of a contract for services between the registrar and registrant.”).

¹²⁶ See *supra* note 69 and accompanying text.

¹²⁷ *But see infra* note 129 and accompanying text.

¹²⁸ See, e.g., S. REP. NO. 106-140, at 6 (1999) (“In addition, cybersquatters often register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner's site to the cybersquatter's own site, many of which are pornography sites that derive advertising revenue based on the number of visits, or ‘hits,’ the site receives.”).

¹²⁹ See generally *Chase*, *supra* note 24, ¶ 32 (noting that the “very use of the Internet would satisfy the Lanham Act's ‘in commerce’ requirement,” and “a typical Internet message qualifies for Lanham Act protection by itself.”). See also *Emord*, *supra* note 75, at 5 (“The definitional problem arises because almost all persuasive speech has direct or indirect economic consequences. We all spend the vast majority of our time engaged in some form of remunerative labor; hence, almost all speech encourages changes in behavior that produce economic consequences. In those substantive respects, the speech of the teacher, the politician, and the brush salesman are

speech factors. Regardless of the content of the website, a domain name is an advertisement for the website,¹³⁰ can reference a specific product,¹³¹ and can be economically motivated.¹³² Use of a domain name consequently constitutes commercial speech.

Clearly, trafficking in domain names constitutes commercial speech. The domain name trafficker by his existence proposes a commercial transaction to other domain name speculators and to individuals who are legally entitled to possess the domain name by paying the trafficker for the registration. This is expressive commercial conduct and therefore protected by the First Amendment.

C. Is Registering, Trafficking, or Using Domain Names Illegal or Misleading?

Registering, trafficking, and using domain names are not necessarily illegal or misleading. Admittedly, where there is malice and the acts are done with “no intention of using the domain name in commerce, and instead often attempt to exact money from a company in exchange for domain names that relate to that company’s trademarks,”¹³³ the acts are illegal and misleading. Such action could constitute trademark infringement or trademark dilution.¹³⁴ It is also inherently misleading. For example, where the actor purposes to profit by diverting Internet users from the trademark holder, the actor is misleading the Internet users as to the content of the website.

indistinguishable.”); Recent Development, *Splog! Or How to Stop the Rise of a New Menace on the Internet*, 19 HARV. J.L. & TECH. 467, 478–79 (2006) (arguing that a court would likely find that “web spam tied to a commercial website” is commercial speech). *But see* TMI Inc. v. Maxwell, 368 F.3d 433, 438 (5th Cir. 2004) (holding no commercial website where website criticized a company, had no advertisement or links to other sites posted, and user had not engaged in business of selling domain names); James B. Lake, *Speaking Legally and Freely: Lawyers, Web Sites, and the First Amendment*, 58 S.C. L. REV. 871, 874–75 (2007) (“The fact that a message is communicated via a web site does not determine that the speech is commercial; such a rule would understate the constitutional protection that is potentially applicable to such communication.”).

¹³⁰ See *supra* note 1 and accompanying text.

¹³¹ See *supra* notes 21–24 and accompanying text.

¹³² See *supra* note 128 and accompanying text.

¹³³ H.R. REP. NO. 106-412, at 5–6 (1999).

¹³⁴ See *supra* Part II.B.1.

However, registering, trafficking, or using domain names do not *always* constitute illegal or misleading behavior. For example, in the discussed Nissan-Nissan conflict, Nissan Computer’s registration and use of www.nissan.com was not clearly illegal. The Ninth Circuit noted that there were “triable issues of fact” with respect to the trademark dilution claim since it was unclear whether Nissan Motors was a famous mark at the time at which Mr. Nissan began his eponymous computer business in 1991.¹³⁵ Likewise, Nissan Computer did not infringe upon Nissan Motors’ trademark by its “use of nissan.com to sell non-automobile-related goods . . . because Nissan is a last name, a month in the Hebrew and Arabic calendars, a name used by many companies, and ‘the goods offered by these two companies differ significantly.’”¹³⁶

Additionally, Nissan Computer’s registration and use of www.nissan.com was not inherently misleading. Instead, it was only potentially misleading. Automotive enthusiasts searching out information about Nissan Motors by visiting www.nissan.com would be misled, but customers of Nissan Computer would not be. Because www.nissan.com was only potentially misleading, an absolute prohibition upon its use by Nissan Computer should not have been¹³⁷ and was not permitted.¹³⁸ Thus, the Nissan-Nissan example evidences that registering, trafficking, or using a domain name does not necessarily mean that such action was misleading or illegal.

D. Is There a Substantial Government Interest?

The ACPA and its legislative history evidence substantial government interests to which

¹³⁵ *Nissan 9th Cir. II, supra* note 14, at 1007.

¹³⁶ *Id.* at 1019 (quoting *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 944 (9th Cir. 2002)). However, Nissan Computer violated trademark infringement law when it “traded on the goodwill of Nissan Motor by offering links to automobile-related websites.” *Id.*

¹³⁷ *See In re R.M.J.*, 455 U.S. 191, 203 (1982) (“[T]he States may not place an absolute prohibition on certain types of potentially misleading information . . . if the information also may be presented in a way that is not deceptive.”).

¹³⁸ *Nissan 9th Cir. II, supra* note 14, at 1020.

courts would be compelled to defer. Particularly, the ACPA was intended:

to protect consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks—a practice commonly referred to as “cybersquatting.”¹³⁹

The judiciary has found similar interests to be substantial. Recently the Supreme Court noted that “prevent[ing] fraud and other forms of deception” are substantial interests because the government has a right to “insur[e] that the stream of commercial information flow[s] cleanly as well as freely.”¹⁴⁰ Courts have also noted that “promotion of commerce” constitutes a substantial government interest.¹⁴¹ Because those interests underlie the ACPA and were well established in reports upon which significant evidence and testimony was received,¹⁴² this prong of the *Central Hudson* test is satisfied.¹⁴³

E. Does the Regulation Directly Advance the Governmental Interest but No More Extensively than Necessary?

The ACPA directly advances the substantial interests asserted by the government in support of its regulation of cybersquatting; however, as applied to Nissan Computer and others that are similarly situated, it is evident that the ACPA is more extensive than necessary. The ACPA “prohibit[s] the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks.”¹⁴⁴ Thus, the

¹³⁹ S. REP. NO. 106-140, at 4 (1999).

¹⁴⁰ *Edenfield*, 507 U.S. at 768 (last alteration in original) (quoting *Va. State Bd. of Pharmacy*, 425 U.S. at 771–72).

¹⁴¹ *E.g.*, *Astro Limousine Serv., Inc. v. Hillsborough County Aviation Auth.*, 678 F. Supp. 1561, 1566 (M.D. Fla. 1988).

¹⁴² *See supra* Part II.A (identifying evidence relied upon by Congress); *see also Playtime Theatres, Inc.*, 475 U.S. at 51–52 (1986) (permitting a finding of substantial government interest “so long as whatever evidence the city relies upon is reasonably believed to be relevant to the problem that the city addresses”).

¹⁴³ Though not an element of the *Central Hudson* test, it is worth noting that the ACPA also *hinders* substantial interests. *See Hale, supra* note 42, at 225 (“The ‘free spirit’ that has pervaded the Internet since its inception has arguably been dampened by [the ACPA].”).

¹⁴⁴ S. REP. NO. 106-140, at 4. *See also* 15 U.S.C. § 1125(d)(1)(B)(i) (2000).

ACPA targets the conduct intended by Congress and effectuates the government's related, substantial interests by giving mark holders a new right of action with which it could protect their interests. The extent to which the ACPA addresses the harms in which the government was interested can be determined by more than just "mere speculation or conjecture"—the harms posed by cybersquatting under the FTDA regime are alleviated "to a material degree."¹⁴⁵

Although Congress considered the ACPA to be "a measured and balanced response to a growing problem,"¹⁴⁶ the ACPA is not sufficiently narrowly tailored. It extends to "substantially more speech than is necessary to accomplish its purpose,"¹⁴⁷ and the ACPA could have been drafted in a more obviously, less-burdensome manner such that the "fit" would have been more reasonable.¹⁴⁸ The House Committee believed that the bill was tailored "to extend only to cases where the plaintiff can demonstrate that the defendant . . . [acted] with bad-faith intent to profit from the goodwill of a mark belonging to someone else."¹⁴⁹ The Committee claimed that the bill did not extend to "innocent domain name registrations by those who are unaware of another's use of the name, or even to someone who is aware of the trademark status of the name but registers a domain name containing the mark for any reason other than with bad faith intent to profit from the goodwill associated with that mark."¹⁵⁰ However, because of the lack of meaningful guidance that the statutory provisions provide the courts and since the ACPA does not provide any total safe-harbor provision, the ACPA can apply to an individual who, after registering the domain name in good faith and using the domain name for years, is baited into evidencing bad faith by the positive actions of another.

¹⁴⁵ *Went For It, Inc.*, 515 U.S. at 626 (quoting *Rubin v. Coors Brewing Co.*, 514 U.S. 476, 487 (1995)).

¹⁴⁶ H.R. REP. NO. 106-412, at 5 (1999).

¹⁴⁷ *Krantz v. City of Fort Smith*, 160 F.3d 1214, 1222 (8th Cir. 1998).

¹⁴⁸ *See Passions Video, Inc. v. Nixon*, 458 F.3d 837, 843 (8th Cir. 2006) (citing *Went For It*, 515 U.S. at 632). *See also Pruet v. Harris County Bail Bond Bd.*, 499 F.3d 403, 412 (5th Cir. 2007) (noting that there must be "a good fit between the means and the goals").

¹⁴⁹ H.R. REP. NO. 106-412, at 10.

That is what appears to have happened in the Nissan-Nissan conflict. In 1994, Mr. Nissan, while aware of Nissan Motors' use of the mark, acted innocently and had compelling reasons for registering and using www.nissan.com.¹⁵¹ That action alone did not evidence bad faith intent to profit from Nissan Motors' mark. However, a court could have reasonably found that Mr. Nissan manifested a prior intent later on. Years after registering the domain name and after numerous refusals to sell the domain name, Nissan Computer made a facetious offer to sell the domain name to Nissan Motors. Mr. Nissan claims that after an October 1999 meeting in which he told a representative of Nissan Motors that he would refuse to sell,¹⁵² he met with Nissan Motors again in December 1999 and repeated his refusals to sell the domain name.¹⁵³ Only when Nissan Motors' representative was "adamant that Nissan Motor wanted only a sale, Mr. Nissan told [the representative] that he would sell the domain name for \$15 million."¹⁵⁴

Mr. Nissan claims that by naming that price, he "intended to convey that he did not wish to sell the domain name at any price."¹⁵⁵ Conversely, Nissan Motors claimed that this evidenced bad faith intent to profit from www.nissan.com. Accordingly, shortly after Mr. Nissan made the comment and during that very same December 1999 meeting, Nissan Motors faxed a copy of its original complaint to Nissan Computer.¹⁵⁶ It seems as though the very purpose of the meetings was to bait Mr. Nissan into making statements that Nissan Motors could use to bring forth an ACPA claim.

¹⁵⁰ *Id.*

¹⁵¹ For example, Nissan Computer was formed at a time when the fame of Nissan Motors' mark was unclear. *See Nissan 9th Cir. II, supra* note 14, at 1006–07. Additionally, Mr. Nissan had been using his surname as a business name since 1980, at which time the Nissan Motors mark did not even exist because Nissan Motors then operated under the mark "DATSUN." *See id.* at 1006.

¹⁵² Appellant's Opening Brief at 13, *Nissan Motor Co. v. Nissan Computer Corp.*, 246 F.3d 675 (9th Cir. 2000) (No. 00-55678) (Nissan Computer stated that it would refuse to sell the domain name even if Nissan Motors "brought us [Mr. Nissan and his wife] a check for \$2 million." (alternation in original) (citation omitted)).

¹⁵³ *Id.* at 15.

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* *But see* Appellee's Responsive Brief, *supra* note 10, at 15 n.14 (discounting this claim as "disingenuous").

Judge Pregerson of the Central District of California ultimately held that the offer to sell did not sufficiently evidence that Nissan Computer had bad faith intent to profit.¹⁵⁷ Instead, the only factor that Judge Pregerson found to have been in Nissan Motors' favor was that Nissan Motors had a protectable interest in the "Nissan" mark.¹⁵⁸ Though Judge Pregerson consequently found that the factors favored Nissan Computer and that bad faith was lacking, clearly the facts were open to interpretation. Even on the basis of but one factor, a court could have found in Nissan Motors' favor with respect to the ACPA claim.¹⁵⁹ Given the ACPA's lack of narrow tailoring to the actual harms, a contrary holding, while permissible under the ACPA, would have directly conflicted with the final *Central Hudson* prong.

V. CONCLUSION

It has been demonstrated through a comprehensive application of the commercial speech doctrine to the ACPA claim made against Nissan Computer that the ACPA is on uncertain constitutional grounds. This Article illustrates how a court could find that the ACPA fails under the final *Central Hudson* prong and that some of the conduct regulated by the ACPA is entitled to First Amendment protection. I therefore suggest that Congress amend the ACPA so as to ensure that it is narrowly tailored and therefore would not apply to individuals like Mr. Nissan who in good faith registered and used a domain name in which they have a legal interest but against whom single factors may have applied. Particularly, the ACPA should be revised to clearly note that the presence of a famous mark alone is not sufficient for a finding of bad faith. Instead, the ACPA should require that bad faith be evidenced both by the actions of the domain

¹⁵⁶ Appellant's Opening Brief, *supra* note 152, at 15.

¹⁵⁷ *Nissan C.D. Cal. III*, *supra* note 13, at *18-20.

¹⁵⁸ *Id.*, at *19 (applying the ACPA factors).

¹⁵⁹ *See supra* notes 62–67 and accompanying text (noting that the ACPA factors only guide the court's own judgment of intent).

name users and the interests of the mark holders, as originally contemplated by Congress.¹⁶⁰

¹⁶⁰ *See supra* notes 60–61 and accompanying text. Congress would also be advised to amend the ACPA such that the mark holder’s actions to solicit evidence of the bad faith intent of a registrant or user should not be considered as evidence of the registrant or user’s bad faith.