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INTRODUCTION

Speed is an asset in computer technology, but not necessarily in law. The new technologies of the twentieth and twenty-first centuries have inevitably raised new legal questions; all too often, the response to these new legal challenges is a hastily enacted federal statute. If the Internet allows children access to pornography, we enact the Communications Decency Act ("CDA").[1] Commercial concerns about cyber-authenticity prompt the Electronic Signatures in Global and National Commerce Act ("E-SIGN").[2] Are cybersquatters creating domain name problems? We've got a law for that, too.[3] These are just a few of the quick fixes driven by a perceived need to address new legal problems arising from new technologies.[4]

1. 47 U.S.C. § 223(a)-(e) (1994 & Supp. V 1999).
2. 15 U.S.C. §§ 7001-7031 (Supp. 2000).
3. Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d) (Supp. 2000).
4. Other cyberlaw examples, not discussed in this Article, include the Digital Millennium Copyright Act of 1998 ("DMCA"), Pub. L. No. 105-304, 112 Stat. 2860 (1998) and the portion of the CDA protecting service providers from any liability for defamation, 47 U.S.C. § 230(c) (1994).

A number of problems with the DMCA have already been identified. An amendment has been introduced to avoid monopolization of the online music industry. *See* H.R. 2724, 107th Cong. (1st Sess. 2000). And there is already a growing movement—including at least one member of Congress—to amend the DMCA to allow copying for private use. As presently constructed, the statute seems to prohibit what would in other contexts be a legitimate use of a copyrighted work. An online book, for example, cannot be copied so that it can be read from a computer other than the one onto which it was downloaded; that means that if I purchase a book and download it onto the computer in my office, it would violate the current DMCA for me to copy it onto my home computer or my laptop so that I could read it in my living room. *See* Dave Wilson, *Programmer Arrested in E-Book Case*, L.A. TIMES, July 18, 2001, § 3, at 1 (quoting Rep. Rick Boucher, D-Va., that it is "inevitable" that Congress will modify the statute to allow individuals to copy for their own personal use); *cf.* Jane C. Ginsburg, *Copyright Use and Excuse on the Internet*, 24 COLUM.-VLA J.L. & ARTS 1, 1-2 (2000) (evaluating mixed success of DMCA in new technological contexts).

As for the CDA, it was an extreme reaction to a single court imposing liability on an Internet service provider ("ISP") for defamatory statements posted on one of its bulletin boards. *See generally* Stratton Oakmont, Inc. v. Prodigy Serv. Co., No. 31063/94, 1995 WL 323710 (N.Y. Sup. Ct. May 24, 1995). In fact, the *Stratton Oakmont* court imposed liability largely because it found that Prodigy's advertising differentiated it from other ISPs by claiming that it exercised editorial control. *Id.* at *3-5. When Prodigy abandoned those policies, another New York trial court found it immune from liability in another case. *See* Lunney v. Prodigy Serv. Co., 683 N.Y.S.2d 557

But many of these perceived "crises" could actually have been resolved by previously established law. The common law and judicial interpretation of existing statutes were working towards a solution—or had reached one—when the new statute threw a monkey wrench into the works. Each of these federal statutes has serious flaws, some of which arise because the statute short-circuited the common law's traditional method of dealing with new problems. The Communications Decency Act has already fallen;[5] in its haste, Congress failed to appreciate the statute's constitutional implications. This Article argues that both E-SIGN and the Anticybersquatting Consumer Protection Act (ACPA), while not unconstitutional, are similarly shortsighted. More broadly, I suggest that, at least in the context of new computer technology, allowing time for incremental judicial responses is often superior to instant legislative solutions of a global nature.

When faced with new technology raising novel legal questions, we have two choices: we can wait for the courts to apply existing law—and eventually use legislation to fill any gaps that remain or to make new policy choices—or we can legislate immediately. Sometimes an immediate legislative response is appropriate, but

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(N.Y. App. Div. 1998). Out of fear that judges would impose too much liability for defamation, however, Congress protected ISPs from *any* liability, even where the ISP has notice of the defamation and the ability to stop it through reasonable measures. *See, e.g.*, Zeran v. Am. Online, Inc., 129 F.3d 327, 329, 335 (4th Cir. 1997) (concerning AOL who was alerted to defamatory messages, but delayed removing them and refused to print retraction; no liability because of § 230); Blumenthal v. Drudge, 992 F. Supp. 44, 49 (D.D.C. 1998) (rejecting argument that "the Washington Post would be liable if it had done what AOL did here" because of § 230); Doe v. Am. Online, Inc., 783 So. 2d 1010 (Fla. Sup. Ct. 2001) (concerning AOL who was alerted to use of chat room for distribution of child pornography, but refused to warn pornographer or suspend his service). For criticism of this broad immunity, see, for example, David R. Sheridan, Zeran v. AOL *and the Effect of Section 230 of the Communications Decency Act upon Liability for Defamation on the Internet*, 61 ALB. L. REV. 147 (1997); David Wiener, *Negligent Publication of Statements Posted on Electronic Bulletin Boards: Is There Any Liability Left After* Zeran?, 39 SANTA CLARA L. REV. 905 (1999); Steven M. Cordero, Comment, Damnum Absque Injuria: Zeran v. AOL *and Cyberspace Defamation Law*, 9 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 775 (1999).

Another example, involving a different sort of new technology, is section 103(b)(1) of the Patent Act. A recent amendment provides protection in some circumstances to obvious biotechnical processes when they produce novel and nonobvious subject matter. 35 U.S.C. § 103(b)(1) (Supp. 2001). It has been criticized as an attempt to "solve claiming problems by bludgeon." John D. Thomas, *Of Text, Technique, and Tangible: Drafting Patent Claims Around Patent Rules*, 17 J. MARSHALL J. COMPUTER & INFO. L. 219, 242 (1998).

Each of these statutes, of course, could be the topic of an entire article. I mention them here only as additional examples of problematic quick fixes.

5. *See* Reno v. ACLU, 521 U.S. 844 (1997). In the case of children's access to Internet pornography, the common law probably could not have solved the problem in ways that were congenial to the policy choices made by Congress. But had Congress waited, technological advances might have made the CDA unnecessary.

often it is not. We should be especially wary of hasty legislative responses in two circumstances.

First, legislation designed to address questions raised by a rapidly changing technology is likely to become obsolete equally quickly.[6] Of course, judicial opinions on the same technology also become out-of-date. But once Congress has enacted legislation regulating a particular subject, it is unlikely to revisit the issue for some time; previous enactments can have unintended consequences or become straitjackets in changed circumstances. Judges are constantly reevaluating doctrine, however, tweaking it to take into account new factual contexts. Moreover, judicial opinions do not have the global reach of a congressional enactment: if one judge, or even a dozen, get it wrong, the geographic reach of the mistake is limited, and in any event new cases and new judges stand ready to make corrections.[7]

As an example, consider the American experience with the railroads. Like cyber-technology, the railroads stretched the law and tested its ability to address both new and developing issues. New questions arose across the legal spectrum, touching everything from employment law to tort law and from federal-state relations to anticompetitive behavior. The courts struggled for decades, restructuring and reconsidering the law to accommodate these challenges.[8] Ultimately, the changes in the law were both successful and long-lasting.

One of the most successful judicial innovations involved railroad bankruptcies. Beginning in the 1870s, railroads affected by economic downturns began to become insolvent. Since there was not yet any national bankruptcy legislation that would permit reorganization, insolvency might have led to dissolution and sale, disrupting national transportation on a massive scale. The courts, without congressional assistance, turned to—some would say "stretched"—the doctrine of equity receiverships to avoid that re-

6. For earlier discussions of this point in related contexts, see, for example, Duncan M. Davidson, *Common Law, Uncommon Software*, 47 U. PITT. L. REV. 1037 (1986); Jane K. Winn, *Open Systems, Free Markets, and Regulation of Internet Commerce*, 72 TUL. L. REV. 1177 (1998).

7. New technology, then, exacerbates the problems identified more than two decades ago by Guido Calabresi. *See* GUIDO CALABRESI, A COMMON LAW FOR THE AGE OF STATUTES (1982) (describing the disadvantages of legislative solutions).

8. *See generally* JAMES W. ELY, JR., RAILROADS AND AMERICAN LAW (2002). Ely begins by noting that "[f]ew aspects of American society were untouched by the coming of the railroad." *Id.* at vii.

sult.[9] Congress eventually modeled general federal bankruptcy reorganization legislation on these early judicial experiments.[10]

Direct congressional intervention was less successful. Between the Hepburn Act in 1906 and the Transportation Act in 1920, Congress passed a series of laws regulating railroad rates. These Progressive Era laws were designed to keep railroads from using their monopoly power over domestic transportation to unreasonably raise rates.[11] Had the railroads maintained that monopoly, the statutes might have worked well. Unfortunately for Congress, however, the 1920s saw the rise of the automobile and the trucking industry, and the consequent demise of the railroads' monopoly.[12] Hemmed in by a regulatory scheme that did not affect its roadway competitors, the railroad industry began to suffer, culminating in massive railroad bankruptcies in the 1970s. It was only those bankruptcies, some fifty years after the Transportation Act, that led Congress to revisit the question of railroad rate regulation and to give railroads more power to set their own rates.[13]

Thus, in the railroad context, Congress was at its best when—as in the insolvency context—it waited for common law processes to bear fruit, using decades of judicial experience to inform legislative enactments. The well-motivated but ultimately harmful legislation in the ratemaking context, on the other hand, shows the pitfalls of congressional intervention in a fast-changing technological environment.

A second factor that tends to produce flawed legislation is the lack of a concrete, defensible interest against the legislation. Here we might consider the recently invalidated Violence Against Women Act ("VAWA").[14] Who could be *for* violence against women? This absence of competing interest groups is deeper than simply that the proposed legislation might affect a diffuse or unorganized or unmotivated group, and that the group therefore has insufficient

9. *See id.* at 175-80.

10. *See* Douglas G. Baird & Robert K. Rasmussen, *Boyd's Legacy and Blackstone's Ghost*, 1999 SUP. CT. REV. 393, 402-06. For a similar example of statutory adoption of a successful judicial innovation, see N.Y. LAW REVISION COMM'N, REPORT OF THE LAW REVISION COMMISSION FOR 1954 AND RECORD OF HEARINGS ON THE UNIFORM COMMERCIAL CODE 69 (photo. reprint 1980) (1954) (statement of Karl N. Llewellyn).

11. *See* ELY, *supra* note 8, at 237-49.

12. *See id.* at 265-66.

13. *See id.* at 277-79.

14. 42 U.S.C. § 13981 (1994) (invalidated in United States v. Morrison, 529 U.S. 598 (2000)).

lobbying power.[15] (No one worries about the unrepresented "interests" of people who commit violence against women.) The problem with statutes like VAWA is that the true considerations against the legislation are not susceptible to interest group politics, but rather fall to a deliberative Congress to consider.[16] In the case of VAWA, for example, the interests on the other side were purely abstract and theoretical: the avoidance of duplicative legislation and whatever federalism concerns one might find legitimate.[17] Moreover, because public opposition to such a statute is negligible, quick action is likely to be repaid with public approval, further increasing the likelihood of drafting mistakes. The lack of opposition also makes it easier for Congress to spend its time on these "easy" statutes rather than grappling with more difficult or controversial questions; if the federal legislature continually reacts to the crisis of the moment, it may neglect more long-term problems.[18]

Much cyberspace legislation, including the two statutes considered in this Article, triggers *both* of these concerns. Technological developments make regulation obsolete almost from the moment of its enactment, highlighting the advantage of the judicial ability to constantly reconsider and revise doctrine. Moreover, the speed of the technology exacerbates the crisis mentality of the public and other interest groups, putting great pressure on Congress to *act now*, while the reasons to postpone legislation are highly abstract. One such interest is avoiding the inevitable disruption caused by new statutes enacted against a background of developing judicial doctrine: the courts have been struggling with cyberlaw questions

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15. *See generally* Bruce Ackerman, *Beyond Carolene Products*, 98 HARV. L. REV. 713 (1985) (explaining how large diffuse groups might have less influence than "discrete and insular minorities").

16. I note that my argument does not depend on whether one attributes the failure to capture these intangible interests to a collective action problem, as public choice theorists might, or to a recognition that interest group theory does not always describe the full range of values that do or should enter into legislative deliberation, as critics of public choice theory might. In either case, I am simply arguing that where tangible interests are opposed by intangible ones, the resulting legislation is least likely to incorporate a due consideration for the latter.

17. This is not to say that *any* federalism concerns are necessarily legitimate, but only that they are the sort of concerns that do not lend themselves to lobbying. Scholars have long debated whether such interests are adequately represented in Congress even without lobbying. *Compare* JESSE CHOPER, JUDICIAL REVIEW AND THE NATIONAL POLITICAL PROCESS (1980), Larry D. Kramer, *Putting the Politics Back into the Political Safeguards of Federalism*, 100 COLUM. L. REV. 215 (2000), *and* Herbert Wechsler, *The Political Safeguards of Federalism: The Role of the States in the Composition and Selection of the National Government*, 54 COLUM. L. REV. 543 (1954), *with* John C. Yoo, *The Judicial Safeguards of Federalism*, 70 S. CAL. L. REV. 1311 (1997).

18. At least one scholar has suggested that the crisis mentality operating in the environmental law context has reduced the success of our environmental programs. *See* Jerry L. Anderson, *The Environmental Revolution at Twenty-Five*, 26 RUTGERS L.J. 395, 410 (1995).

for several years now, and each new statute creates new issues and new confusion. With legislation governing cyberspace content—from rules on domain names to rules on copying—there is also a potential First Amendment concern. Finally, there is the possible, if ephemeral, harm to the technology itself: an ill-advised statute might prevent the technology from developing in what might prove to be fruitful ways. In the case of the ACPA, moreover, there is an additional factor that increases the pressure on Congress. International harmonization is often used as a justification for laws regulating the global Internet, and multinational companies are eager to have Congress achieve harmonization. Since many of the countries that are legislating in these technological areas are civil law, rather than common law, jurisdictions, there is a further bias against judicial problem-solving.

Congress may well conclude, independent of public sentiment, that the benefits of the statute outweigh the harms to intangible interests. There may also be circumstances in which the costs of waiting through the long common law development process are greater than the risks arising from possible congressional errors. One example of such a circumstance is if the adoption of a standard—any standard—is more important than its particular content (such as determining which side of the road to drive on). However, we should be somewhat suspicious of quick congressional action where the two concerns identified in this Article are present. And, in fact, this Article suggests that recent cyberspace legislation justifies the suspicion.

This is not to suggest that cyberspace should remain unregulated. Scholars debating cyberspace regulation have, by and large, fallen into three groups. The first group, the cyber-anarchists, deny that traditional forms of law should play any role at all, suggesting instead that community norms and technological limits should be the only regulators.[19] A second group, the cyber-exceptionalists, re-

19. *See, e.g.*, John T. Delacourt, *The International Impact of Internet Regulation*, 38 HARV. INT'L L.J. 207, 208, 235 (1997); Andy Johnson-Laird, *The Anatomy of the Internet Meets the Body of the Law*, 22 UNIV. DAYTON L. REV. 465, 467 (1997) (concluding that "trying to legislate the Internet is a great task that is potentially impossible technically"); David R. Johnson & David Post, *Law and Borders—The Rise of Law in Cyberspace*, 48 STAN. L. REV. 1367, 1367 (1996); David G. Post & David R. Johnson, *Chaos Prevailing on Every Continent: Towards a New Theory of Decentralized Decision-Making in Complex Systems*, 73 CHI.-KENT L. REV. 1055 (1998); *see also* James Boyle, *Foucault in Cyberspace: Surveillance, Sovereignty, and Hardwired Censors*, 66 U. CIN. L. REV. 177, 178 (1997) ("For a long time, the Internet's enthusiasts have believed that it would be largely immune from state regulation."). Lawrence Lessig also notes that cyber-anarchists were the first generation of Netizens. LAWRENCE LESSIG, CODE AND OTHER LAWS OF CYBERSPACE 25 (1999).

ject anarchy but nevertheless deny that traditional legal tools are adequate to regulate cyberspace; they urge instead the creation of a separate legal regime for cyberspace. Their model seems to suggest cyberspace either as a kind of separate sovereign (as the states and the federal government are separate sovereigns) or the subject of an independent body of law.[20] A third group complains that both the cyber-anarchists and the cyber-exceptionalists exaggerate the novelty of the legal questions raised by the new technologies. Frank Easterbrook argues, for example, that developing specialized doctrines to deal with the legal problems of cyberspace is analogous to creating a "Law of the Horse." He suggests instead that we should "[d]evelop a sound law of intellectual property, then apply it to computer networks."[21]

I believe that the truth lies somewhere in between. The cyber-anarchists and cyber-exceptionalists have overstated the novelty of cyberspace, but Easterbrook and his fellows have undestated it. We cannot simply plug the factual context of the Internet into existing law and expect it to produce coherent answers, but neither do we need to create an entirely new regime to govern cyberspace. So how *should* we regulate this hybrid creature of familiar legal questions in a strikingly new context? Lawrence Lessig was the first—but certainly not the last—to argue that the best way to deal with legal questions arising from the Internet is to rely on the common law process and other traditional legal tools.[22]

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20. *See, e.g.*, COMM. ON INTELLECTUAL PROP. RIGHTS AND THE EMERGING INFO. INFRASTRUCTURE, NAT'L RESEARCH COUNCIL, THE DIGITAL DILEMMA: INTELLECTUAL PROPERTY IN THE INFORMATION AGE, at ix (2000) ("[M]any of the intellectual property rules and practices that evolved in the world of physical artifacts do not work well in the digital environment."); Dan L. Burk, *Federalism in Cyberspace*, 28 CONN. L. REV. 1095, 1096 (1996) [hereinafter Burk, *Federalism*]; Dan L. Burk, *Virtual Exit in the Global Information Economy*, 73 CHI.-KENT L. REV. 943, 943-47 (1998); I. Trotter Hardy, *The Proper Legal Regime for "Cyberspace"*, 55 U. PITT. L. REV. 993, 995 (1994); Henry Perritt, Jr., *Dispute Resolution in Electronic Network Communities*, 38 VILL. L. REV. 349, 350 (1993); Joel R. Reidenberg, *Governing Networks and Rule-making in Cyberspace*, 45 EMORY L.J. 911, 912 (1996). Mark Lemley draws a similar distinction between cyber-anarchists and those who would instead erect "new governmental structures" for cyberspace. Mark Lemley, *The Law and Economics of Internet Norms*, 73 CHI.-KENT L. REV. 1257, 1260 n.8 (1998).

21. Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, 1996 U. CHI. LEGAL F. 207, 208; *see also* Richard A. Epstein, *Before Cyberspace: Legal Transitions in Property Rights Regimes*, 73 CHI.-KENT L. REV. 1137, 1137 (1998) ("[I]nnovations of technology neither preclude nor require fundamental transformations in the legal regime that governs them.") [hereinafter Epstein, *Before Cyberspace*]; Richard A. Epstein, *Privacy, Publication, and the First Amendment: The Dangers of First Amendment Exceptionalism*, 52 STAN. L. REV. 1003, 1047 (2000); Charles Fried, *Perfect Freedom or Perfect Control?*, 114 HARV. L. REV. 606, 614-15 (2000).

22. Lawrence Lessig, *The Path of Cyberlaw*, 104 YALE L.J. 1743, 1744-45 (1995); *see also* Epstein, *Before Cyberspace*, *supra* note 21, at 1154; Jack L. Goldsmith, *Against Cyberanarchy*, 65

This Article uses existing case law to argue in favor of the common law process, in which I include both judge-made common law and judicial interpretation of existing statutes. I suggest in particular that judicial adaptations are likely to be more successful than federal legislative solutions. Three years after Lessig urged that we rely on the common law, Mark Lemley commented that the "hundreds of reported decisions" were "arguably doing a pretty good job of adapting existing law to the new and uncertain circumstances of the Net."[23] Three years later, we have thousands of cases and an overlay of several new federal statutes.

Following the path of Lessig and Lemley, I suggest in this Article that judicial responses—including both common law development and the judicial interpretation of existing statutes—to the novel questions posed by the Internet have been adequate to the task, and that the newest statutes are at best unnecessary and at worst shortsighted. These instant legislative solutions offer the promise of speed, but the speed is often expended careening around blind corners. By contrast, the common law method offers the luxury of time and successive experience, while still dealing with the concrete problems posed by the new technology.

This Article illustrates the dangers of over-hasty congressional action by focusing on illustrative federal responses to cyberlaw dilemmas. Parts I and II examine two recent federal enactments that are at best useless and at worst harmful in dealing with the problems that prompted them. Part III offers a cyberspace common law success story: in the absence of clarifying legislation, state and federal courts have been struggling with the question of personal jurisdiction in the context of the Internet, and, after some early missteps, seem to be approaching a rational solution.

I. LOST IN CYBERSPACE: THE ACPA

The Internet brought with it a new form of piracy, quickly labeled "cybersquatting" or "cyber-piracy." Cybersquatting can occur when an individual or company registers as a second-level domain name either a well-known trademark or a typographical

U. CHI. L. REV. 1199, 1200-01 (1998); Jack Goldsmith, *Regulation of the Internet: Three Persistent Fallacies*, 73 CHI.-KENT L. REV. 1119, 1119 (1998); Lemley, *supra* note 20. Lessig offers a somewhat different vision of the interaction between law and cyberspace in his recent book, but it too rejects both cyber-anarchy and the notion that cyberlaw is no different from any other law. *See generally* LESSIG, *supra* note 19.

23. Lemley, *supra* note 20, at 1294. Lemley's article did not discuss the cases.

variation on that trademark.[24] (A second-level domain name is what immediately precedes the last "dot": for example, "vanderbilt" in the domain name "www.vanderbilt.edu.") The cyber-pirate often then tries to sell the domain name to the trademark owner. Sometimes the cyber-pirate tries instead to divert the trademark owner's would-be customers to his or her own web site in the hopes of making a profit. Yet sometimes the registrant has a legitimate reason for registering the name, which makes defining cybersquatting difficult. Enterprising individuals have registered the names of celebrities ("juliaroberts.com"[25]), businesses ("panavision.com"[26]), and organizations ("plannedparenthood.com"[27]), as well as such variants as "sportillustrated.com"[28] and "lucentsucks.com."[29]

To protect trademark owners from this new activity, Congress passed the Anticybersquatting Consumer Protection Act ("ACPA"), which took effect in November 1999. The ACPA addresses the problem by creating a cause of action by a trademark owner against anyone who "registers, traffics in, or uses" a mark as a domain name with "a bad faith intent to profit from" the mark. The statute requires that the trademark be either distinctive or famous, and that the domain name be identical, confusingly similar to, or—in the case of a famous mark—dilutive of the mark. Under the ACPA, bad faith is determined by looking to a nonexhaustive list of nine factors that attempt to measure the legitimacy of the registrant's claim to the name and any evidence that the registrant has tried to profit from the name.

The ACPA is a superficially attractive statute. It was enacted quickly with a great deal of popular support, since it is hard

24. For those who are unfamiliar with the worldwide web and how it works, a recent case contains an excellent description. Sporty's Farm v. Sportsman's Mkt., 202 F.3d 489, 492-93 (2d Cir. 2000); *see also* Michael V. LiRocchi et al., *Trademarks and Internet Domain Names in the Digital Millennium*, 4 UCLA J. INT'L L. & FOREIGN AFF. 377, 378-89 (1999-2000).

25. *See* P. Landon Moreland & Colby B. Springer, *Celebrity Domain Names: ICANN Arbitration Pitfalls and Pragmatic Advice*, 17 SANTA CLARA COMPUTER & HIGH TECH. L.J. 385, 387-89 (2001) (discussing Julia Fiona Roberts v. Russell Boyd, WIPO Case No. D2000-0210 (May 29, 2000)).

26. *See* Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1319 (9th Cir. 1998) (*"Panavision"*).

27. *See* Planned Parenthood Fed'n of Am. v. Bucci, 42 U.S.P.Q.2d (BNA) 1430, 1432 (S.D.N.Y. 1997) (*"Planned Parenthood"*).

28. *See* Elecs. Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d (BNA) 1705, 1710 n.2 (E.D. Pa. 2000).

29. *See* Lucent Techs., Inc. v. lucentsucks.com, 95 F. Supp. 2d 528, 529 (E.D. Va. 2000). Not all of the examples given in text are fairly characterized as cybersquatting. Part of the difficulty faced by courts is determining when registration by other than the trademark owner might be legitimate.

to be in favor of cyber-piracy. But like several other recent public relations enactments by Congress,[30] it was also redundant insofar as it dealt with a problem already sufficiently addressed by other statutes, and confusingly drafted because of the pressure of the perceived "crisis." With the possible exception of overcoming occasional jurisdictional problems—an issue I address later[31]—longstanding trademark infringement law and the relatively new Federal Trademark Dilution Act (FTDA) could, and in many cases did, produce identical results in all cases subject to the ACPA. But Congress did not care that trademark law was developing solutions to cybersquatting; instead, it jumped in prematurely, making cyberlaw now more, rather than less, complicated and confused.

In Part I.A, I examine cases against cybersquatters under both existing law and the new ACPA in order to demonstrate that the ACPA was unnecessary at best. But as might be expected from a statute drafted hastily with great public and industry support, its problems go beyond mere redundancy. In Part I.B, I examine the harm that the ACPA is causing to the intangible interests that remained largely unrepresented in Congress's attack on the problem. Finally, beyond these flaws, the ACPA is also chasing technological and other innovations. For that reason, it is no better at dealing with the newest problems than were the prior statutes, and has already been eclipsed by other remedies such as a new dispute resolution procedure. I consider these problems in Part I.C. In Part I.D, I return to the theme of this Article by examining Congress's attitude, in passing the ACPA, toward the intangible concerns I have identified.

30. Examples of redundant federal statutes include the Gun-Free School Zones Act, which was struck down in *United States v. Lopez*, 514 U.S. 549, 549 (1995), and the Violence Against Women Act, which was struck down in *United States v. Morrison*, 529 U.S. 598, 605 (2000). Examples of popular but constitutionally problematic (and possibly unnecessary) federal statutes include the Religious Freedom Restoration Act, which was struck down in *City of Boerne v. Flores*, 521 U.S. 507, 507 (1997), and portions of both the Age Discrimination in Employment Act, which was struck down in *Kimel v. Florida Board of Regents*, 528 U.S. 62, 62 (2000), and the Americans with Disabilities Act, which was struck down in *Board of Trustees v. Garrett*, 531 U.S. 356, 356 (2001). One hasty and poorly drafted statute, the Supplemental Jurisdiction Act, 28 U.S.C. § 1367 (1994), has not yet been struck down but is creating interpretive difficulties. *Compare In re* Abbott Labs., 51 F.3d 524 (5th Cir. 1995), *aff'd by an equally divided Court*, 529 U.S. 333 (2000), *and* Stromberg Metal Works, Inc. v. Press Mech., Inc., 77 F.3d 928 (7th Cir. 1996), *with* Trimble v. ASARCO, Inc., 232 F.3d 946 (8th Cir. 2000), Meritcare, Inc. v. St. Paul Mercury Ins. Co., 166 F.3d 214 (3d Cir. 1999), *and* Leonhardt v. W. Sugar Co., 160 F.3d 631 (10th Cir. 1998). For a critique of Congress's handiwork on similar grounds, see Neal Devins, *Congress as Culprit: How Lawmakers Spurred on the Court's Anti-Congress Crusade*, 51 DUKE L.J. 435 (2001).

31. *See infra* Part I.A.6.

A. The ACPA Was Unnecessary

1. Introduction

Perhaps the clearest evidence that courts were perfectly capable of responding to cybersquatting without the ACPA is the case of *Sporty's Farm v. Sportsman's Market*.[32] Sportsman's Market, a catalog business selling aviation equipment, tools, and home accessories, had been using the mark "Sporty's" since the 1960s and had registered it in 1985.[33] In 1995, a businessman who received Sportsman's catalogs decided to enter the aviation catalog business himself and began a company that registered the name "sportys.com."[34] That company later sold the name to Sporty's Farm, a wholly-owned subsidiary which grows and sells Christmas trees.[35] When Sporty's Farm brought a federal declaratory judgment action against Sportsman's Market seeking the right to continue using the name, Sportsman's Market counterclaimed for trademark infringement and trademark dilution.[36] The ACPA had not yet been enacted.

The district court ruled in favor of Sportsman's Market on the trademark dilution count, finding that the mark was—as required under the FTDA—both famous and distinctive, and that the registration of sportys.com diluted the mark because it "compromise[d] Sportsman's Market's ability to identify and distinguish its goods on the Internet."[37] The court ordered Sporty's Farm to relinquish the domain name, which Sportsman's Market subsequently acquired. But the court refused to grant either damages or attorneys' fees because Sporty's Farm's conduct was not "willful" under the FTDA.

Both parties appealed to the Second Circuit. Judge Calabresi eventually issued a unanimous opinion for a three-judge panel, affirming both of the district court's substantive rulings: Sportsman's Market was entitled to the domain name, but it was not entitled to damages or attorneys' fees. What makes Judge Calabresi's opinion notable is that it applies the newly enacted ACPA rather than the

32. 202 F.3d 489 (2d Cir. 2000).
33. *Id.* at 494.
34. *Id.*
35. *Id.*
36. *Id.* The counterclaim also included a state unfair competition claim, irrelevant for my purposes.
37. *Id.* at 495.

FTDA.[38] Nevertheless, it found nothing to disturb in the trial judge's FTDA ruling. At least in this case, everything that the ACPA accomplished could be done—indeed, had been done—under the FTDA.

Sporty's Farm provides a particularly cogent example of the overlap between the FTDA and the ACPA, but it is not alone. In the six years since the passage of the FTDA, courts have used it repeatedly in cybersquatting cases, by and large reaching intuitively correct results—or at least results that are unlikely to differ markedly from those produced by the ACPA. An examination of how the courts have done so illustrates the strength of the common law method: the courts have applied existing statutes and doctrines to new problems, one case at a time, and in doing so have constructed a jurisprudence that looks remarkably like the congressional enactment without suffering from its flaws.

There are five key differences between the FTDA and the ACPA, but for all but one of these differences the courts have interpreted the FTDA in a way that presaged the ACPA.[39] First, trademark dilution and cybersquatting—the targets of the respective statutes—are not identical: dilution as defined by the FTDA is the commercial use of a trademark in a way that harms its reputational value, while cybersquatting as defined by the ACPA is the bad faith registration of a trademark as a domain name. Second, in order to prevail under the FTDA, a trademark owner must show that its mark is *both* famous and distinctive; the ACPA requires only that it be *either* famous or distinctive. Third, the ACPA incorporates a standard of "bad faith intent to profit" for *any* recovery, even injunctive relief, while the FTDA has no state-of-mind prerequisite for injunctive relief but requires "willfulness" before a court can award damages, costs, or attorneys' fees. Fourth, the FTDA provides for ordinary injunctive relief as the standard remedy, while the ACPA authorizes courts to order the transfer of the domain name from the defendant to the plaintiff.[40] Finally, the ACPA ex-

38. *Id.* at 496. The timing of the case is particularly interesting. After holding the case for almost a year after oral argument, the court issued its opinion two months after the effective date of the new statute.

39. The FTDA was itself enacted to fill gaps in existing trademark infringement law. In some cases, relief under the FTDA and federal trademark infringement law will overlap. In other cases, a defendant might be liable only for dilution or only for infringement. The elements of the ACPA are closer to dilution than to infringement, and thus I will focus on comparisons between the ACPA and the FTDA, but I will also note in passing the circumstances under which the ACPA duplicates remedies available under the Lanham Act for trademark infringement.

40. The ACPA (but not the FTDA) also provides for statutory damages at the election of the trademark owner. Since most trademark owners are primarily interested in obtaining the do-

plicitly allows in rem suits against the domain name itself, but only if the registrant of the name either cannot be located or is not subject to the court's jurisdiction. I deal with each of these differences in turn.

2. Commercial Dilution Versus Bad Faith Registration

The poster child for the crusade against cybersquatting is Dennis Toeppen. An enterprising netizen, Toeppen was an early registrant of over 100 domain names, including some incorporating the trademarks of such companies as Delta Airlines, Neiman Marcus, and Eddie Bauer. But Toeppen's lasting claim to fame arose from his registration of the names "panavision.com" and "panaflex.com." His web page for panavision.com displayed photographs of the city of Pana, Illinois; his web page for panaflex.com displayed the word "Hello." Not surprisingly, Panavision (which owns registered trademarks for both Panavision and Panaflex) sued Toeppen under the FTDA in 1996. Both the district court and the Ninth Circuit Court of Appeals recognized the novelty of Panavi-

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main name, cases seeking statutory damages are rare. *See* P. Wayne Hale, Note, *The Anticybersquatting Consumer Protection Act &* Sporty's Farm L.L.C. v. Sportsman's Market, Inc., 16 BERKELEY TECH. L.J. 205, 223 n.127 (2001) (noting the paucity of cases).

Moreover, as a deterrent to cybersquatters, the provision for statutory damages does not seem to work. John Zuccarini, for example, has registered thousands of domain names consisting of deliberate misspellings of individual, corporate, and organizational names. Elecs. Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d (BNA) 1705, 1710 n.11 (E.D. Pa. 2000). When someone mistakenly types one of Zuccarini's misspellings, she becomes " 'mousetrapped' in a barrage of advertising windows" from which she cannot escape without clicking through the advertisements. *Id.* at 1708. Each "click" nets Zuccarini between ten and twenty-five cents, and he has conceded that he earns between $800,000 and $1,000,000 annually from these advertisements. *Id.* at 1708, 1712. He has not been deterred by the initiation of several separate lawsuits. *See, e.g.,* Shields v. Zuccarini, 254 F.3d 476 (3d Cir. 2001); *Elecs. Boutique Holdings Corp.*, 56 U.S.P.Q.2d (BNA) at 1705; Dennis Maxim, Inc. v. Zuccarini, No. 00-2104 (S.D.N.Y. Oct. 16, 2000), *cited in* Elecs. Boutique Holding Corp. v. Zuccarini, No. CIV. A. 00-4055, 2001 WL 83388, at *8 n.10 (E.D. Pa. Jan. 25, 2001); *see also Elecs. Boutique Holding Corp.*, 56 U.S.P.Q.2d (BNA) at 1712-13 (describing Zuccarini's registration of new domain names after the initiation of several lawsuits and after he had been enjoined from using previously registered domain names). What may deter cybersquatters is the approach the FTC has recently taken with regard to Zuccarini: they have filed an enforcement suit against him for unfair and deceptive practices, and have obtained a preliminary injunction against him. *See Trade Regulation-Deceptive Practices: FTC Launches Enforcement Suit Against Purported Cyberscammer*, 70 U.S.L.W. 2211 (Sept. 25, 2001) (discussing *FTC v. Zuccarini*). Finally, since most large-scale cybersquatters registered their domain names before widespread commercial use of the Internet, and before courts began imposing liability at all, any deterrent value comes too late. *See Cybersquatting and Consumer Protection: Ensuring Domain Name Integrity: Hearing on S. 1255 Before the Senate Comm. on the Judiciary*, 106th Cong. 73-79 (1999) (statements of Professors Jessica Litman and Michael Froomkin). For these reasons, I do not discuss this provision of the ACPA, believing that it is a minor part of the statute, which in any case could easily have been added to the FTDA instead.

sion's claim under the FTDA, but neither court had any difficulty ruling in favor of Panavision.

The most difficult question for the Court of Appeals was whether Toeppen's use of the trademark was "commercial" within the meaning of the FTDA.[41] Some earlier precedent had held that mere registration of a domain name was not a commercial use under the act.[42] But the court reasoned that Toeppen was using the name commercially: although he was not using it to sell products, he was hoping to make money from it by selling the name back to Panavision. The ACPA incorporates this insight by making both attempts to sell the name to the mark owner and registration of multiple trademarked domain names relevant to the determination of bad faith. The *Panavision* court did not need the assistance of the ACPA, however, to perceive that Toeppen was making a commercial use of the name—nor have numerous other courts before and since.[43] One need not even offer to sell the domain name to come within the ambit of the FTDA: in *Planned Parenthood Federation of America v. Bucci*,[44] the court held that an anti-abortion web site

41. The Court also addressed the difficult question of personal jurisdiction, which I do not consider in this section. *See infra* Parts I.A.6, III.

42. In fact, of the three cases cited by the Court of Appeals for this proposition, *Panavision International, L.P. v. Toeppen*, 141 F.3d 1316, 1324 (9th Cir. 1998), one was the district court's ruling below, which ultimately found jurisdiction on the ground that Toeppen did more than merely register the name. The other two were suits against the domain-name registration service, NSI, which courts have consistently refused to hold liable. *See, e.g.*, Lockheed Martin Corp. v. Network Solutions, Inc., 141 F. Supp. 2d 648 (N.D. Tex. 2001); Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., No. CV 97-6394-LEWMCX, 1997 WL 810472 (C.D. Cal. Dec. 22, 1997); Lockheed Martin Corp. v. Network Solutions, Inc., 44 U.S.P.Q.2d (BNA) 1865 (C.D. Cal. 1997). The ACPA explicitly exempts NSI and its successors from liability. 15 U.S.C. § 1125(d)(2)(D)(ii) (Supp. 2000).

Some commentators have suggested that the ACPA was necessary in order to penalize the mere registration of domain names by cybersquatters. *See, e.g.*, LiRocchi et al., *supra* note 24, at 395-97; Neil L. Martin, *The Anticybersquatting Consumer Protection Act: Empowering Trademark Owners but Not the Last Word on Domain Name Disputes*, 25 J. CORP. L. 591, 603-04 (2000); Jason H. Kaplan, Comment, *The Anticybersquatting Consumer Protection Act: Will It End the Reign of the Cybersquatter?*, 8 UCLA ENT. L. REV. 43, 48-50 (2000).

As the text makes clear, I argue that courts were quite capable of remedying registration by cybersquatters even before the enactment of the ACPA. At least one very early commentator predicted that result. *See* Dan L. Burk, *Trademarks Along the Infobahn: A First Look at the Emerging Law of Cybermarks*, 1 RICH. J.L. & TECH. 1, ¶ 69 (Apr. 10, 1995) (stating that "the established law of trademarks appears admirably suited" to resolving domain name disputes), *at* http://www.richmond.edu/jolt/rlil/burk.html.

43. *See, e.g.*, OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 184 n.6 (W.D.N.Y. 2000) (declining explicitly to reach question of liability under newly enacted ACPA); Jews for Jesus v. Brodsky, 993 F. Supp. 282 (D.N.J. 1998); Planned Parenthood Fed'n of Am. v. Bucci, 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997); Teletech Customer Care Mgmt., Inc., v. Tele-Tech Co., 977 F. Supp. 1407 (C.D. Cal. 1997); Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 1230 (N.D. Ill. 1996)

44. 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997).

owner who used the domain name "plannedparenthood.com" was using the mark commercially because, among other things, his "actions are designed to, and do, harm plaintiff commercially."[45] Other courts have found trademark *infringement* in similar circumstances. One court has held that trademark infringement "does not require that Defendant actually caused goods or services to be placed into the stream of commerce," because the Lanham Act encompasses "the dissemination of information, including purely ideological information."[46] Thus neither the FTDA requirement that the mark be used commercially, nor the requirement under infringement law that the mark be used commercially *and* "in connection with the sale or offering for sale, distribution, or advertising of goods and services,"[47] serves as an obstacle to finding liability in cybersquatting cases.

The Ninth Circuit also had to decide whether Toeppen's use of the trademark as a domain name constituted dilution. Again, the court had little trouble concluding that Toeppen's conduct diluted the Panavision mark even though it did not fit the traditional definitions of tarnishment or blurring.[48] The existence of Toeppen's web sites both "put[ ] Panavision's name and reputation at his mercy,"[49] and diminished Panavision's ability to use its mark to lead customers to its site. Customers looking for Panavision might have to wade through the hundreds of web sites likely to be produced by a search engine, or might become frustrated with Panavision—and discouraged from further searching—if panavision.com did not lead them to Panavision's home page. In short, Toeppen's use of the Panavi-

45. 42 U.S.P.Q.2d (BNA) at 1435; *see also OBH, Inc.*, 86 F. Supp. 2d at 186, 192 (holding that use of domain name "constitutes a 'use in commerce' " under infringement statute and FTDA because it "affects [the trademark owners'] ability to offer their services in commerce" and because it is "designed to, and do[es], harm [the trademark owners] commercially").

Planned Parenthood raises a separate problem regarding web sites that are designed to criticize trademark owners. I deal with this question later, *see infra* Part I.B, but note here only that *Planned Parenthood* may be different both because it involved registration of the mark itself rather than a variant on it (such as "lucentsucks.com") and because the domain name was attached to a web site that fostered rather than diminished the consumer's initial confusion.

46. People for the Ethical Treatment of Animals, Inc. v. Doughney, No. CIV. A. 99-1336-A, 2000 WL 943353, at *3 (E.D. Va. June 12, 2000).

47. 15 U.S.C. § 1114(1)(a) (1994).

48. Tarnishment links the mark to inferior or offensive products or services. Blurring occurs when the defendant's use of the mark creates the possibility that the mark will lose its quality as a unique identifier. That is why the Xerox Corporation works so hard to make sure that consumers understand that a "Xerox copy" is not the equivalent of a xerographic copy but can come only from a machine made by Xerox. *But see* Will Shortz, Crossword, N.Y. TIMES, July 6, 2001, at E23 (41 down, Clue: "copied"; Answer: "xeroxed").

49. Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1327 (9th Cir. 1998).

sion marks as domain names lessened Panavision's capacity to identify itself and its products on the web. Other courts have reached similar conclusions under the FTDA.[50] One court has held that "internet cyberpiracy constitutes per se trademark dilution."[51] In addition, many courts have found cybersquatting to be trademark infringement as well as (or instead of) trademark dilution.[52] Indeed, in one case a court found that the use of the plaintiff's mark ("Seawind" for a kit-built amphibious airplane) was not infringed by the defendant's physical products (a "Seawind Builders Newsletter" and a plane called a "Turbine Seawind," built from plaintiff's kit with the addition of a turbine engine), but was infringed by the mere use of the plaintiff's mark in defendant's domain name ("seawind.net").[53]

As the *Panavision* case illustrates, a dilution action can be strong medicine. Indeed, a number of commentators have criticized the FTDA for overprotecting trademarks from noncompeting uses.[54]

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50. *See, e.g.*, *OBH, Inc.*, 86 F. Supp. 2d at 176; N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331, 343-57 (S.D.N.Y. 1999); Jews for Jesus v. Brodsky, 993 F. Supp. 282, 294-313 (D.N.J. 1998); Playboy Enters., Inc. v. Asiafocus Int'l, Inc., No. Civ. A 97-734A, 1998 WL 724000, at *5-10 (E.D. Va. Apr. 10, 1998); *see also* Northland Ins. Cos. v. Blaylock, 115 F. Supp. 2d 1108, 1124-25 (D. Minn. 2000) (finding no violation of either FTDA or ACPA, on grounds that site designed to air complaints about company was neither "commercial" for FTDA purposes nor established with "bad faith intent to profit" for ACPA purposes).

51. Virtual Works, Inc. v. Network Solutions, Inc., 106 F. Supp. 2d 845, 847 (E.D. Va. 2000), *aff'd sub nom.* Virtual Works, Inc. v. Volkswagen of Am., 238 F.3d 264 (4th Cir. 2001).

52. *See, e.g.*, TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 92-104 (2d Cir. 2001) (preliminary injunction; infringement but not dilution); Brookfield Communications, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1061-67 (9th Cir. 1999) (preliminary injunction); *OBH, Inc.*, 86 F. Supp. 2d at 191-94; Quokka Sports, Inc. v. Cup Int'l, Ltd., 99 F. Supp. 2d 1105, 1114-15 (N.D. Cal. 1999) (TRO); Pub. Serv. Co. v. Nexus Energy Software, Inc., 36 F. Supp. 2d 436, 437-40 (D. Mass. 1999) (preliminary injunction); Washington Speakers Bureau, Inc. v. Leading Authorities, Inc., 33 F. Supp. 2d 488, 502-05 (E.D. Va. 1999) (infringement but not dilution); Minn. Mining & Mfg. Co. v. Taylor, 21 F. Supp. 2d 1003, 1004-05 (D. Minn. 1998); *Jews for Jesus*, 993 F. Supp. at 305-08; *Playboy Enters., Inc.*, 1998 WL 724000, at *5-8; Playboy Enters., Inc. v. Calvin Designer Label, 985 F. Supp. 1220, 1220-22 (N.D. Cal. 1997) (preliminary injunction); Green Prods. Co. v. Independence Corn By-Products Co., 992 F. Supp. 1070, 1075-82 (N.D. Iowa 1997); Cardservice Int'l v. McGee, 950 F. Supp. 737, 739-43 (E.D. Va. 1997); Lozano Enters. v. La Opinion Publ'g Co., 44 U.S.P.Q.2d (BNA) 1764, 1767-70 (C.D. Cal. 1997); Planned Parenthood Fed'n of Am. v. Bucci, 42 U.S.P.Q.2d (BNA) 1430, 1434-41 (S.D.N.Y. 1997); Comp Exam'r Agency, Inc. v. Juris, Inc., No. 96-0213-WMB(CTX), 1996 WL 376600, at *1-2 (C.D. Cal. Apr. 26, 1996).

53. SNA, Inc. v. Array, 51 F. Supp. 2d 542, 550-53 (E.D. Pa. 1999).

54. Many commentators have criticized the FTDA for straying from the consumer-based reasons underlying trademark protection and for threatening to create "rights in gross" in trademarked words. *See, e.g.*, Kristine M. Boylan, *The Corporate Right of Publicity in Federal Dilution Legislation, Part II*, 82 J. PAT. & TRADEMARK OFF. SOC'Y 5, 5-12 (2000); Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 831-66 (1997); Simone A. Rose, *Will Atlas Shrug? Dilution Protec-*

At least in the context of domain name disputes, however, the courts have been quite careful to limit the definition of dilution to cybersquatting and related acts. Another Ninth Circuit case, *Avery Dennison Corp. v. Sumpton*,[55] provides an illuminating contrast to *Panavision*. The plaintiff sold office products under the trademarked names "Avery" and "Dennison," and maintained web sites at "avery.com" and "averydennison.com." The defendant, Sumpton, was a provider of vanity e-mail addresses, leasing e-mail addresses to individuals that incorporated their last names, their careers, their hobbies, and so on.[56] He had registered thousands of domain names for this purpose, including both "avery.net" and "dennison.net." He did so because both Avery and Dennison are relatively common last names. He never tried to sell either name to Avery Dennison. Although the district court had granted summary judgment for Avery Dennison, the Ninth Circuit reversed and ordered the lower court to grant summary judgment to Sumpton. The Court of Appeals held that Sumpton was not using the trademarks commercially: although he was making money from his registration of both domain names, he was not "capitalizing on [their] trademark status."[57] Thus, although what Sumpton did would ordinarily be considered "commercial," the court limited the FTDA to protect legitimate uses of words that happened to be trademarked.

In *Avery Dennison Corp.* and *Panavision*, then, the court struck a careful balance: preventing cybersquatting but allowing

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tion for "Famous" Trademarks: Anti-Competitive "Monopoly" or Earned "Property" Right?, 47 FLA. L. REV. 653, 682-739 (1995); Kathleen B. McCabe, Note, *Dilution-By-Blurring: A Theory Caught in the Shadow of Trademark Infringement*, 68 FORDHAM L. REV. 1827, 1858-75 (2000); *see also* Jennifer Golinveaux, *What's In a Domain Name: Is "Cybersquatting" Trademark Dilution?*, 33 U.S.F. L. REV. 641, 671 (1999) (criticizing use of FTDA in domain name cases). A recent article defends dilution law as a necessary complement of infringement law. *See* Gerard N. Magliocca, *One and Inseparable: Dilution and Infringement in Trademark Law*, 85 MINN. L. REV. 949, 954 (2001).

I do not take sides in the debate over whether the FTDA is good public policy (or good trademark theory), but only suggest that the ACPA does not differ from it sufficiently to justify the latter's enactment. For general critiques of the overall trend of expanding trademark protection, including in the context of domain names, see, for example, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687 (1999); Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 WAKE FOREST L. REV. 827 (2000). To the extent that the critics are right about the FTDA, the ACPA is not only unnecessary, but also built on a bad foundation.

55. 189 F.3d 868 (9th Cir. 1999).

56. *Id.* at 872. For example, individuals might be able to lease such names as suzanna@sherry.net, sherry@lawprofessor.net, paul@oenophile.net, rosie@ratto.net, etc.

57. *Avery Dennison Corp.*, 189 F.3d at 880. The court also found that Avery Dennison's fame within a limited market was insufficient to satisfy the "famousness" element of the FTDA. *See id.* at 874-77. The question of famousness is discussed *infra* Part I.A.3.

registration of trademarked domain names for other legitimate reasons. In *Avery Dennison Corp.*, the court interpreted "commercial" to strike this balance. As we will see in the next section of this Article, courts have also relied on other aspects of the FTDA to strike at cybersquatters without endangering legitimate domain name registrations.[58]

3. Famousness and Distinctiveness

To prevail on a claim of trademark dilution under the FTDA, the plaintiff must show that its mark is famous and that the defendant's use dilutes the distinctiveness of the mark.[59] The FTDA provides that fame and distinctiveness may be determined by considering a nonexhaustive list of eight factors.[60] Unlike trademark infringement, which applies only to confusing uses of the mark, the FTDA prevents all commercial uses of the mark. Thus, only the use of "Nike" on shoes is likely to be trademark infringement, but Nike sodas, cars, and television sets all clearly violate the FTDA. Because of its breadth, the FTDA is meant to apply only to truly famous marks in order to preserve the supply of available words. Both the legislative history and many cases interpreting the FTDA support this narrow definition of famousness.[61]

58. One commentator criticizes the ACPA for potentially overprotecting trademarks, suggesting that under the ACPA a court might have granted Avery Dennison the relief it sought. *See* Gregory B. Blasbalg, Note, *Masters of Their Domains: Trademark Holders Now Have New Ways to Control Their Marks in Cyberspace*, 5 ROGER WILLIAMS U. L. REV. 563, 583-85 (2000). As I suggest in text, I think that unlikely; courts have tended to import the earlier FTDA limits into the ACPA. Nevertheless, the possibility illustrates one of the dangers of enacting an unnecessary statute such as the ACPA. *See infra* Part I.B.

59. 15 U.S.C. § 1125(c)(1) (Supp. V 1999).

60. The factors to be considered are:

> (A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) the duration and extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods or services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade used by the mark's owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

§ 1125(c)(1)(A)-(H).

61. *See, e.g.*, Times Mirror Magazines, Inc. v. Las Vegas Sporting News, 212 F.3d 157, 171 (3d Cir. 2000) (Barry, J., dissenting) (citing legislative history); *Avery Dennison Corp.*, 189 F.3d at 874-76; I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 46 (1st Cir. 1998); *see also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. b (1995) (detailing pre-FTDA history of state causes of action for trademark dilution).

As an abstract matter, then, the FTDA might seem to be unavailable in many cases of cybersquatting.[62] While "nike.com" and "panavision.com" might satisfy the famousness component of the FTDA, names that are recognized only within an industry or within a local geographic area might not. Nevertheless, in the context of domain name disputes, courts have frequently found such local or industry-limited marks to be famous for purposes of the FTDA. Examples of such limited-fame marks include "Teletech" for "the largest provider of primarily inbound integrated telephone and Internet customer care worldwide"[63] and "La Opinion" for "the largest circulation stand-alone Spanish language newspaper in the United States."[64]

The danger, of course, is that in an attempt to reach cybersquatting, courts might construe famousness so broadly as to undermine the intent to limit the applicability of the FTDA.[65] However, most courts have extended the FTDA to limited-fame marks only where the junior user (including a domain name registrant) has no plausible claim to the use of the mark—that is, where the junior user's most likely motivation was to benefit from the public recognition of the mark. There is nothing in the FTDA that explicitly requires this result, and evaluating the junior user's claim to the mark—since it does not fall among the FTDA's eight listed factors—would not seem particularly relevant to a determination of famousness.[66] Nevertheless, an examination of actual FTDA cases

62. Some commentators argue that problems with the "famousness" requirement of the FTDA made the ACPA necessary. *See, e.g.*, Kaplan, *supra* note 42; Marc Lorelli, Note, *How Trademark Litigation over Internet Domain Names Will Change After Section 43(d) of the Lanham Act*, 78 U. DET. MERCY L. REV. 97, 103-04 (2000); Danielle Weinberg Swartz, Comment, *The Limitations of Trademark Law in Addressing Domain Name Disputes*, 45 UCLA L. REV. 1487, 1519 (1998). As I make clear in the text, I believe that courts had solved this problem even before the enactment of the ACPA.

63. Teletech Customer Care Mgmt., Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1409 (C.D. Cal. 1997).

64. Lozano Enters. v. La Opinion Publ'g Co., 44 U.S.P.Q.2d (BNA) 1764, 1766 (C.D. Cal. 1997); *see* also Online Partners.Com, Inc. v. Atlanticnet Media Corp., No. Civ. A. C98-41462000, 2000 WL 101242, at *6-10 (N.D. Cal. Jan. 20, 2000) (holding that fame within gay community sufficient for FTDA claim); N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331, 344 (S.D.N.Y. 1999) (holding that fame within community of certified public accountants in New York state sufficient for FTDA claim).

65. For a student note warning of such a possibility, and concluding that the FTDA is therefore not an appropriate vehicle for remedying cybersquatting, see John D. Mercer, Note, *Cybersquatting: Blackmail on the Information Superhighway*, 6 B.U. J. SCI. & TECH. L. 290, 295-301 (2000).

66. The intent of the alleged infringer is generally considered relevant to the question of likelihood of confusion in trademark *infringement* cases, but the FTDA deliberately eliminates any requirement of likelihood of confusion. It is possible, however, that in the dilution context

strongly suggests that a court's determination of famousness, for less than universally famous marks like Nike, is influenced by the court's view of the legitimacy of the junior user's motives.

For example, in *Star Markets, Ltd. v. Texaco, Inc.*, a court found that "Star Markets" was not sufficiently famous to satisfy the FTDA.[67] The name apparently had considerable name recognition and famousness in Hawaii, and probably would have met the standards applied in the *Teletech* and *La Opinion* cases. But Texaco had slowly been converting its mainland convenience stores (associated with its gasoline stations) to "Star Mart" in order to resonate with its "Star-T" logo.[68] Texaco thus had a strong claim that it was not trading on Star Markets' name recognition or goodwill, and the court rejected Star Markets' FTDA claim. On the other hand, in *WAWA Inc. v. Haaf*, the court found (with no discussion) that the use of WAWA for convenience stores in a five-state area was sufficiently famous to satisfy the FTDA, and thus enjoined defendant Haaf's use of the name HAHA for a competing convenience store.[69] Although Haaf claimed that he called his market "HAHA" because he and his wife intended to own it jointly, no partnership or other documents had been prepared, and he was the sole owner of the store and the sole registrant of the fictitious name. It is easy to conclude that Haaf's use of a name similar to WAWA had no legitimate purpose, but instead was deliberately designed to benefit from WAWA's mark.

Courts have reached similarly divergent results under the FTDA as applied to domain name disputes. In *Avery Dennison Corp.*, for example—in which, as discussed earlier, the Ninth Circuit found that Sumpton's registration of avery.net and dennison.net for vanity e-mail addresses was not a commercial use—the court also held that neither "Avery" nor "Dennison" was sufficiently famous to warrant FTDA protection.[70] But another court found "NYSSCPA" (for New York State Society of Certified Public Accountants) famous in the context of its use on a web site by an ac-

courts are using intent as indirect evidence of famousness: the amount of the defendant's expected gain is related to the famousness of the mark.

67. 950 F. Supp. 1030, 1033-37 (D. Haw. 1996).

68. *Id.* at 1031. How many readers remember, "Trust your car to the man who wears the star"?

69. 40 U.S.P.Q.2d (BNA) 1629, 1631-33 (E.D. Pa. 1996).

70. 189 F.3d 868, 874-79 (9th Cir. 1999).

countant placement firm seeking to capitalize on name recognition within the niche market of accountants in New York.[71]

While no court has explicitly held that the junior user's motivation is relevant to the question of famousness, a fair reading of the cases suggests that such an analysis explains the pattern of different holdings in factually similar cases.[72] Moreover, several courts have noted that fame in a "niche" market is more likely to support an FTDA claim in cases in which the two users of the mark are direct competitors.[73] Distinguishing between uses depending on the competitive status of the user supports the notion that the FTDA is being interpreted to take into account the junior user's motives: a competitor who uses a protected mark (other than a truly famous mark such as Nike) is more likely to be trying to gain a competitive advantage than is a noncompetitor who uses the mark.

And except for its relevance in revealing the defendant's motives in using the mark, the fact that the plaintiff and defendant are competitors is actually inconsistent with the purposes of the FTDA, as several courts have noted.[74] The FTDA was designed to prevent the appearance of Dupont shoes, Buick aspirin, and Kodak pianos. Such uses would not involve consumer confusion, and therefore would not fall under traditional trademark infringement analysis. The statute was *not* meant "as mere fallback protection for trademark owners unable to prove trademark infringement"[75] because of a lack of sufficient confusion, but rather as a remedy for

71. N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331, 344-51 (S.D.N.Y. 1999).

72. In addition to the cases discussed in the text, see, for example, TCPIP Holding Co. v. Haar Communications, Inc., 244 F.3d 88, 88 (2d Cir. 2001) (holding "The Children's Place" for clothing store was neither famous nor distinctive in context of suit against developer of web portal for kids' web sites who used "thechildrensplace.com"); Hasbro, Inc. v. Clue Computing, Inc., 66 F. Supp. 2d 117, 126 (D. Mass. 1999), *aff'd*, 232 F.3d 1 (1st Cir. 2000) (per curiam) (finding "Clue" was not famous in context of use by Internet company and that there was no evidence that it intended to capitalize on name of board game).

73. *See, e.g.*, Times Mirror Magazines, Inc. v. Las Vegas Sporting News, 212 F.3d 157, 164-65 (3d Cir. 2000); Syndicate Sales, Inc. v. Hampshire Paper Corp., 192 F.3d 633, 640-41 (7th Cir. 1999); *id.* (providing authorities); *see also* S. REP. NO. 100-515, at 43 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5605 (suggesting that local fame sufficient under FTDA if both users are in same local area); *cf.* Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 219 (2d Cir. 1999) (stating that likelihood of dilution of minimally distinctive mark is easier to show if products are competing); *Hasbro, Inc.*, 66 F. Supp. 2d at 133, *aff'd*, 232 F.3d 1 (1st Cir. 2000) (stating that use of another's trademark as a domain name is dilution only where it is "deceptive or intentional").

74. *See, e.g.*, I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 48-50 (1st Cir. 1998); Washington Speakers Bureau, Inc. v. Leading Authorities, Inc., 33 F. Supp. 2d 488, 503-04 (E.D. Va. 1999).

75. *I.P. Lund Trading ApS*, 163 F.3d at 48; *see also Nabisco, Inc.*, 191 F.3d at 218-19 (citing FDTA legislative history).

a specific harm outside the purview of infringement. This narrow purpose belies any interpretation that would make relief *more* available to competitors than to noncompetitors.[76] Thus, to the extent that the owner of a marginally famous mark is more likely to succeed in an FTDA suit against a direct competitor than against a noncompetitor, the cases can best be explained by positing that a direct competitor is more likely than a noncompetitor to have had nefarious motives for choosing the mark.

This accommodation between the extent of the mark's fame and the legitimacy of the junior user's claim presages the requirements of the ACPA. While the ACPA provides protection to marks that are either famous or distinctive, its primary focus is on the motives of the domain name registrant: it punishes only a bad faith intent to profit. Had *Star Markets* and *WAWA* involved domain name disputes under the ACPA, it is likely that courts would have reached exactly the same results as under the FTDA. The registration of "starmart.com," for example, raises an issue that neither the FTDA nor the ACPA were designed to remedy: multiple, legitimate uses of the same mark are possible in the real world (United Airlines and United Van Lines, for example), but not in the virtual world (only one company can register "united.com"). When confronted with this problem, under either the FTDA or the ACPA, courts have consistently allowed registration of a multiple-use mark on a first-come, first-served basis.[77] Again, then, the ACPA has not added anything to judicially developed FTDA doctrines.

If the ACPA was not necessary to protect trademark owners, neither has it changed many results. Courts interpreting the ACPA have sometimes carried over from the FTDA both the weak definition of fame in cybersquatting circumstances and the concern about

76. This is not to suggest that competing uses are immune from the FTDA, simply that direct competitors were not its primary targets. Every court that has considered the question has held that the FTDA reaches both competing and noncompeting uses. *See, e.g.*, *Syndicate Sales, Inc.*, 192 F.3d at 640 n.6; *Nabisco, Inc.*, 191 F.3d at 219; *I.P. Lund Trading ApS*, 163 F.3d at 45.

77. *See, e.g.*, Hartog & Co. v. swix.com, 136 F. Supp. 2d 531, 538-40 (E.D. Va. 2001); BigStar Entm't, Inc. v. Next Big Star, Inc., 105 F. Supp. 2d 185, 217-19 (S.D.N.Y. 2000); Greenpoint Fin. Corp. v. Sperry & Hutchinson Co., 116 F. Supp. 2d 405, 409-14 (S.D.N.Y. 2000); Network Network v. CBS, Inc., No. CV 98-1349 NM(ANX), 2000 WL 362016, at *3-4 (C.D. Cal. Jan. 18, 2000); Cello Holdings v. Lawrence-Dahl Cos., 89 F. Supp. 2d 464, 471-72 (S.D.N.Y. 2000); HQM, Ltd. v. Hatfield, 71 F. Supp. 2d 500, 503-07 (D. Md. 1999); *Hasbro, Inc.*, 66 F. Supp. 2d at 121; *see also* K.C.P.L., Inc. v. Nash, No. 98 Civ. 3773 (LMM), 1998 WL 823657, at *8 (S.D.N.Y. Nov. 24, 1998) (distinguishing *Panavision* where defendant had registered only four domain names, only one of them trademarked, and had a business plan for the names); No Mayo—S.F. v. Memminger, No. C-98-1392 PJH, 1998 WL 544974, at *3 (N.D. Cal. Aug. 20, 1998) (legitimate user of trademarked name "is not a 'cyber pirate' "); Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 1240 (N.D. Ill. 1996) (stating that "race to the Internet" by users of same name is not dilution).

the potential breadth of dilution causes of action. Although the ACPA decreases the importance of a finding of fame—since the cause of action lies to protect trademarks that are *either* famous or distinctive—courts have nevertheless generally found marks to be *both* famous and distinctive even in situations in which "fame" is relatively modest: for example, the use of "Joe Cartoon" for cartoon graphics.[78] Thus, even when applying the ACPA, courts have made findings that would justify relief under the FTDA. Conversely, like the FTDA, the ACPA limits the supply of available words by protecting even noncompeting uses of trademarked domain names. The requirement that the cyber-pirate be shown to act in bad faith affords some limit on the breadth of the cause of action. But at least one court has also suggested that "famousness" under the ACPA should be narrowly interpreted in order to avoid "granting 'rights in gross' in a trademark."[79] Thus, even if Congress's intent was to grant more protection under the ACPA than under the FTDA, courts have not generally done so—and with good reason, since extending protection for nonconfusing uses of marginally famous marks is most easily justified when the junior user is attempting to appropriate for itself the commercial advantages of the mark.

As with the requirements of commercial use and a showing of dilution, then, the FTDA requirement that a mark be both famous and distinctive has not deterred courts from giving relief in cybersquatting cases. Indeed, I have not been able to locate a domain name dispute case in which a defendant found liable under the ACPA would have escaped liability under the prevailing interpretation of the FTDA because of a lack of fame, commercial use, or actual or potential dilution.[80]

78. Shields v. Zuccarini, 254 F.3d 476, 482-83 (3d Cir. 2001); *see also* Mattel, Inc. v. Internet Dimensions Inc., No. 99 Civ. 10066(HB), 2000 WL 973745, at *2-10 (S.D.N.Y. July 13, 2000) (holding that "Barbie" doll is both famous and distinctive so that registration of "barbiesplaypen.com" for pornographic web site actionable under both FTDA and ACPA); Elecs. Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d (BNA) 1705, 1708-10 (E.D. Pa. 2000) (holding that "Electronics Boutique" for video game stores is both famous and distinctive); *cf. BigStar Entm't, Inc.*, 105 F. Supp. 2d at 217-18 (holding that under the FTDA, "Big Star" is neither famous nor distinctive).

79. Porsche Cars N. Am., Inc. v. Spencer, No. Civ. S-00-471 GEB PAN, 2000 WL 641209, at *3 (E.D. Cal. May 18, 2000).

80. There is a split in the circuits about whether the FTDA requires a showing of actual dilution or only likely dilution of the plaintiffs mark. *Compare* Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658, 670-71 (5th Cir. 2000) (actual dilution necessary), *and* Ringling Bros.—Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 458-61 (4th Cir. 1999) (same), *with* V Secret Catalogue, Inc. v. Moseley, 259 F.3d 464, 471-77 (6th Cir. 2001) (likelihood of dilution sufficient), *and Nabisco, Inc.*, 191 F.3d at 223-25 (same).

4. Intent Requirements

The defendant's intent in using the trademark plays a different role in infringement, dilution, and ACPA cases. For infringement, the alleged infringer's intent to copy the mark and thereby create confusion between its product and the plaintiff's is relevant to the question of whether there is a likelihood of confusion.[81] Under the FTDA, the plaintiff must demonstrate the defendant's "willfulness" only if plaintiff seeks damages, costs, or attorneys' fees; the defendant's intent is statutorily irrelevant to injunctive relief.[82] Finally, the ACPA imposes liability only for a "bad faith intent to profit" from the use of the mark; good faith uses are not actionable.[83]

The ACPA requirement of bad faith is designed to narrow the breadth of the statute and to avoid penalizing anyone except classic cybersquatters.[84] In order to avoid giving greater protection to trademark owners, then, the ACPA interposes an *additional* prerequisite to recovery. For that reason, the ACPA's different intent requirement is unlikely to offer any greater protection to trademark owners than is provided by the already-existing FTDA and Lanham Act. Imagine that Toeppen, our cybersquatting entrepreneur, had—after a dispute with Panavision about a defective television set—simply registered panavision.com and connected that domain name to scenic views of Pana. In this counterfactual scenario, he did not try to sell the name back to Panavision, nor did he register any other trademarked names. Under the ACPA, it is unclear whether Panavision could prevail, since it would be difficult to demonstrate Toeppen's bad faith intent to profit. Of the nine factors listed in the ACPA for determining bad faith, it seems likely that four would favor Toeppen and five would favor Panavision. Nevertheless, the mere existence of the web site at that URL address

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81. *See, e.g.*, King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1089-90 (10th Cir. 1999); Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1053-54 (9th Cir. 1999); Pebble Beach Co. v. Tour 18 Ltd., 155 F.3d 526, 543 (5th Cir. 1998); Smith Fiberglass Prods., Inc. v. Ameron, Inc., 7 F.3d 1327, 1329 (7th Cir. 1993); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961).

82. 15 U.S.C. § 1125(c)(2) (Supp. V 1999).

83. § 1125(d)(1)(A)(i), (d)(1)(B)(ii).

84. *See* BroadBridge Media, L.L.C. v. hypercd.com, 106 F. Supp. 2d 505, 511 (S.D.N.Y. 2000).

would dilute Panavision's trademark. It is thus a clearer violation of the FTDA than of the ACPA.[85]

Nor does the ACPA offer greater protection for innocent domain name registrants, since a plaintiff can choose to file suit under either statute. That our hypothetical Toeppen would probably prevail on an ACPA claim does not preempt Panavision from suing him under the FTDA instead.

Thus, since the ACPA neither provides greater protection to mark owners nor reduces the protection available under the FTDA, the ACPA seems paradigmatically redundant, at least as far as the different intent requirements are concerned. Moreover, as noted earlier, courts have essentially created an intent requirement under the FTDA unless the disputed trademark is unequivocally and universally famous. Thus, the different intent requirements do not end up making much difference to the results.

Whenever a statute sets out an intent test, moreover, it cannot help but create uncertainty at the margins. *Cello Holdings v. Lawrence-Dahl Cos.*[86] is a typical example. Plaintiff, a high-end audio equipment provider, had registered "Cello" as a trademark. The defendant sold vintage audio equipment online under the name Audio Online, and also had a sideline business: he registered numerous domain names—mostly those not trademarked—with NSI, including "gotmilk.com," "4nasdaq.com," "thenyse.com," and "goldmetal.com," and offered them for general sale on the Internet. This second part of his business had resulted in the sale of two domain names for a total of $1,100. In 1997, defendant tried to register the names of at least twenty musical instruments, including "violin.com" and "drums.com." Only "cello.com" was available, however, and defendant obtained it. He then offered cello.com for sale to at least nine companies or individuals, including the plaintiff, for about $5,000. Plaintiff replied to this solicitation with a federal lawsuit under the FTDA and the ACPA.

In denying Cello Holdings' motion for summary judgment, the court held that numerous genuine issues of fact existed, including both the fame and distinctiveness of the cello mark. It also found a genuine dispute of fact with regard to bad faith—and with good reason. It is hard to tell whether this defendant was an enterprising capitalist, purchasing apparently unowned goods that oth-

85. See *infra* Part I.B for a discussion of whether either the ACPA or the FTDA is insufficiently sensitive to First Amendment concerns in cases such as this one.
86. 89 F. Supp. 2d 464, 471-75 (S.D.N.Y. 2000).

ers might want and then looking for buyers, or a cyber-pirate who stole trademarks from their rightful owners in hope of holding them for ransom. Most cybersquatters seem to ask for tens—if not hundreds—of thousands of dollars,[87] and most target potential buyers by zeroing in on particular trademarks. Perhaps this defendant was simply an inept cybersquatter, but it is also possible that this is not the type of activity that Congress meant to proscribe.

In any case, the different intent requirements do not undermine my contention that the ACPA was unnecessary because it duplicates remedies available under other statutes. At best, the ACPA seems to offer no more assistance to an aggrieved trademark holder; at worst, some plaintiffs may have a paradoxically harder time using the ACPA because of its heightened intent requirement.

5. Remedies

The ACPA also provides remedies that differ from those provided under the FTDA. The remedy for ordinary trademark dilution is normally an injunction against further use of the mark by the defendant.[88] In cybersquatting cases, however, the plaintiff usually also wants to be able to use its own mark as a domain name. Again, courts have had no difficulty under the FTDA ordering defendants to relinquish all rights to the disputed domain name, thus freeing it

87. *See, e.g.*, TCPIP Holding Co. v. Haar Communications Inc., 244 F.3d 88, 91 (2d Cir. 2001) (concerning defendant who asked for a total of $1,267,000 for numerous related names and rejected counter-offer of $30,000 for single name); Domain Name Clearing Co. v. F.C.F. Inc., No. 00-2509, 2001 WL 788975, at *1 (4th Cir. July 12, 2001) (per curiam) (concerning defendant who asked for approximately $60,000); Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1319 (9th Cir. 1998) (concerning defendant who offered to sell domain names for $10,000 to $15,000); *BroadBridge Media*, 106 F. Supp. 2d at 508 (concerning defendant who rejected $5,000 offer and asked for $85,000 for the sale of the name or $153,000 over three years for rental); McRae's, Inc. v. Hussain, 105 F. Supp. 2d 594, 595 n.2 (S.D. Miss. 2000) (concerning defendant who offered to sell carsonpiriescott.com and carsonpiriescott.net to mark owner for "10% of the future revenue that these web addresses will generate in the first three years of operation," reminding plaintiff to "[t]hink of all that online shopping"); Nissan Motor Co. v. Nissan Computer Corp., 89 F. Supp. 2d 1154, 1157 (C.D. Cal. 2000) (concerning defendant who said he would only sell domain name for "several million dollars" and "made a proposal involving monthly payments in perpetuity"); *cf.* Elecs. Boutique Holdings Corp. v. Zuccarini, 56 U.S.P.Q.2d (BNA) 1705, 1712 (E.D. Pa. 2000) (concerning defendant who earned between $800,000 and $1,000,000 annually from cybersquatting).

88. Again, at least one commentator predicted that this limitation would make the FTDA "of little or no help" against cybersquatters. Carl Oppedahl, *Remedies in Domain Name Lawsuits: How Is a Domain Name like a Cow?*, 15 J. MARSHALL J. COMPUTER & INFO. L. 437, 448 (1997).

for subsequent use by the plaintiff.[89] Courts have also ordered defendants to transfer domain names to plaintiffs.[90] And in at least one FTDA case, Network Solutions, Inc. ("NSI"), the private company in charge of registering domain names at that time, had "deposited complete control and authority over the disposition and use of the [disputed] domain name" into the court itself[91]—an action specifically contemplated by the not-yet-enacted ACPA but *not* by the FTDA.

6. In Rem Jurisdiction

Suits against cybersquatters present potentially difficult questions of personal jurisdiction. While most state long-arm statutes are broad enough to reach conduct, such as trademark infringement or dilution, which has an effect inside the states, the constitutional requirements under the Due Process Clause are somewhat more limiting. Black letter law requires that in order to be subject to personal jurisdiction, the defendant must have minimum contacts with the forum state such that the court's exercise of jurisdiction is consistent with traditional notions of fair play and substantial justice.[92] As I discuss in Part III, courts initially struggled with questions about the extent to which the creation of a web site constitutes minimum contacts with any forum in which it is accessible. As courts reached a consensus that the establishment of a "passive" (or noninteractive) web site is not by itself sufficient to confer jurisdiction, the question of jurisdiction over cybersquatters became more complex: the classic cybersquatter often does no more

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89. *See, e.g.*, Minn. Mining & Mfg. Co. v. Taylor, 21 F. Supp. 2d 1003, 1005 (D. Minn. 1998); Cardservice Int'l, Inc. v. McGee, 950 F. Supp. 737, 743 (E.D. Va. 1997); Lozano Enters. v. La Opinion Publ'g Co., 44 U.S.P.Q.2d (BNA) 1764, 1769-70 (C.D. Cal. 1997).

90. *See, e.g.*, N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331, 333 n.1 (S.D.N.Y. 1999); Green Prods. Co. v. Independence Corn By-Products Co., 992 F. Supp. 1070, 1082 (N.D. Iowa 1997); ActMedia, Inc. v. Active Media Int'l, Inc., No. 96C3448, 1996 WL 466527, at *2 (N.D. Ill. July 17, 1996); *cf.* E. & J. Gallo Winery v. Spider Webs Ltd., 129 F. Supp. 2d 1033, 1042 (S.D. Tex. 2001) (ordering transfer of domain name under state anti-dilution statute).

91. Teletech Customer Care Mgmt., Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1415 (C.D. Cal. 1997); *see also* Playboy Enters., Inc. v. Calvin Designer Label, 985 F. Supp. 1220, 1220 (N.D. Cal. 1997) (ordering cancellation of domain names "if [NSI] delegates complete control regarding the disposition of the registration and use of these domain names to this Court").

92. *See* Asahi Metal Indus. Co. v. Superior Court, 480 U.S. 102, 114-16 (1987); Burger King Corp. v. Rudzewicz, 471 U.S. 462, 476 (1985); World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 292 (1980).

than register the domain name or, as Dennis Toeppen did, create a passive and noncommercial web site.

To avoid this potential problem with jurisdiction, the ACPA provides an alternative to an in personam action against the domain name registrant: it creates an in rem action against the domain name itself. The in rem action is available only if the plaintiff, after due diligence, either cannot locate the domain name registrant or "is not able to obtain in personam jurisdiction over" the registrant.[93] The statute does not make clear whether the plaintiff must show only that the court in which it has filed lacks personal jurisdiction or whether the plaintiff must show that no American court can exercise jurisdiction over the defendant. The only court that has directly addressed the issue has concluded that the in rem action is available only if no American court has jurisdiction.[94] For this reason, the in rem provision is likely to apply in only a limited number of cases, that is, where the registrant is unknown or foreign.

In fact, courts have had little trouble exercising personal jurisdiction over cybersquatters even absent the ACPA's in rem provision. Courts have consistently held—in domain name disputes as well as other cases—that the mere registration of a domain name, or the establishment of a "passive" web site at that URL, does not constitute minimum contacts with any other state, including the state in which the registration occurred.[95] Courts have required that the defendant do something more, somehow directing its actions toward the forum state. But courts confronted with bad-faith registration of domain names—cybersquatting—quickly found ways to conclude that the defendant had targeted the forum state.

An offer to sell the domain name back to the trademark owner, for example, has been held to constitute activity directed toward the trademark owner's home state.[96] Even in the absence of attempted extortion, cyber-pirates are usually subject to personal jurisdiction in the trademark owner's state. Following a seminal Seventh Circuit decision in a non-Internet context, *Indianapolis*

93. 15 U.S.C. § 1125(d)(2)(A)(ii)(I) (Supp. V 1999).

94. Heathmount A.E. Corp. v. technodome.com, 106 F. Supp. 2d 860, 864 n.6 (E.D. Va. 2000); *see also* Alitalia-Linee Aeree Italiane, S.p.A. v. casinoalitalia.com, 128 F. Supp. 2d 340, 346-47 n.14 (E.D. Va. 2001) (considering this the "likely answer").

95. *See* cases cited *infra* note 221.

96. *See, e.g.*, Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1323 (9th Cir. 1998); Cello Holdings v. Lawrence-Dahl Cos., 89 F. Supp. 2d 464, 471 (S.D.N.Y. 2000); *see also* N. Light Tech., Inc. v. N. Lights Club, 97 F. Supp. 2d 96, 107 (D. Mass. 2000) (attempting to use domain name to entice plaintiff into business relationship), *aff'd*, 236 F.3d 57 (1st Cir. 2001).

Colts, Inc. v. Metropolitan Baltimore Football Club Ltd. Partnership,[97] a number of courts have found that the act of registering a domain name that intentionally targets a particular trademark owner constitutes an act directed toward the trademark owner's home state.[98]

Courts have also found jurisdiction over foreign registrants if the foreign registrant uses the domain name to enter the U.S. market. In *Quokka Sports, Inc. v. Cup International, Ltd.*, for example, the court held that it had personal jurisdiction over a New Zealand company.[99] The company's web site included advertisements for at least ten American companies (including several that did business only in the United States), and when it negotiated for advertisers, the company quoted prices in American dollars.[100] The court concluded that the company, by targeting American consumers, had purposefully availed itself of the benefits of the United States commercial forum.[101]

As with the attenuation of the "famousness" requirement, there is a danger that a desire to reach cyber-pirates might distort doctrines of personal jurisdiction. But courts have been careful, under both the ACPA and its predecessors, to distinguish between cyber-pirates and more innocent trademark infringers. As noted earlier, courts dealing with cybersquatters have found that registra-

97. 34 F.3d 410 (7th Cir. 1994). The court in *Indianapolis Colts* in turn relied on *Calder v. Jones*, 465 U.S. 783 (1984), which held that an act of defamation occurring in Florida but intentionally harming a California plaintiff satisfied the requirements of personal jurisdiction in a California court. 34 F.3d at 412. Courts are divided on the precise reach of *Calder*'s "effects" test, but have had no additional trouble translating it from the real world to the virtual world. *See infra* note 242. Indeed, one commentator suggests that the courts have exhibited a laudable "sensitivity" to subtle factual differences when applying the effects test to the web. Allan R. Stein, *The Unexceptional Problem of Jurisdiction in Cyberspace*, 32 INT'L LAW. 1167, 1184 (1998).

98. *See, e.g.*, *Panavision Int'l*, 141 F.3d at 1322-23 (concerning defendant who was "engaged in a scheme" that he knew would have the effect of causing injury in plaintiff's home state); McRae's v. Hussain, 105 F. Supp. 2d 594, 600 (S.D. Miss. 2000) (holding that defendant's act of registering was "intentionally directed" toward the plaintiff since the plaintiff, "as owner of the mark, was the only legitimate potential buyer of the mark"); Nissan Motor Co. v. Nissan Computer Corp., 89 F. Supp. 2d 1154, 1160 (C.D. Cal. 2000) (holding that defendant intentionally altered web site to "exploit the plaintiffs' goodwill" and that "brunt of the harm" was felt in corporate plaintiffs' home state); Roberts-Gordon, LLC v. Superior Radiant Prods., Ltd., 85 F. Supp. 2d 202, 216-17 (W.D.N.Y. 2000) (holding that intentional placement of plaintiff's trademarks in defendant's metatags satisfies requirement that defendant commit a tort with the expectation that its effects will be felt in the forum state); McMaster-Carr Supply Co. v. Supply Depot, Inc., No. 98 C 1903, 1999 WL 417352, at *4-5 & n.4 (N.D. Ill. June 16, 1999) (holding that defendant "intentionally registered" plaintiff's trademark as domain name, "an act that it knew would harm Illinois-based MCS in Illinois," and did so "to siphon off potential customers").

99. 99 F. Supp. 2d 1105, 1110-14 (N.D. Cal. 1999).

100. *Id.* at 1112.

101. *Id.* at 1114-15; *see also N. Light Tech., Inc.*, 97 F. Supp. 2d at 96.

tion of a particular trademark as a domain name intentionally targets the trademark owner, thus constituting a sufficient additional contact with the forum to create personal jurisdiction. In the absence of evidence of bad faith, however, courts have been unwilling to extend this principle to all those who simply register another's trademark as a domain name. If the domain name registrant is unaware of the trademark or has a legitimate reason to choose the mark as a domain name, courts consistently require more traditional indicia of contacts with the forum state than simple registration of a trademarked domain name.[102]

Here again, the ACPA has not altered doctrines of personal jurisdiction: in personam suits, at least, are neither easier nor harder to bring under the ACPA than under previous trademark statutes.

There remains, however, the question of domain name registrants who cannot be located, or foreign registrants with virtually no other contacts in the United States. Although plaintiffs have successfully used the in rem provisions against foreign registrants, in many cases the same result could have been reached under the developing doctrines of personal jurisdiction in cybersquatter cases. In *BroadBridge Media v. hypercd.com*, for example, the Canadian defendant offered to sell the domain name to the plaintiff, engaging in negotiations over several days.[103] The Ninth Circuit in *Panavision* held similar conduct sufficient to confer jurisdiction. In *Heathmount A.E. Corp. v. technodome.com*, the plaintiff alleged—as required under the ACPA—that the defendant had registered its domain names "in a bad faith attempt to profit from use of Plaintiff's marks."[104] Other courts, taking the plaintiff's allegations as

102. *See, e.g.*, Cybersell, Inc. v. Cybersell, Inc., 130 F.3d 414, 418-20 (9th Cir. 1997); Bensusan Rest. Corp. v. King, 126 F.3d 25, 27-29 (2d Cir. 1997); Am. Online, Inc. v. Huang, 106 F. Supp. 2d 848, 858-59 (E.D. Va. 2000); Rannoch, Inc. v. Rannoch Corp., 52 F. Supp. 2d 681, 685-87 (E.D. Va. 1999); No Mayo—S.F. v. Memminger, No. C-98-1392PJH, 1998 WL 544974, at *3-4 (N.D. Cal. Aug. 20, 1998); Hearst Corp. v. Goldberger, No. 96 Civ. 3620 (PKL)(AJP), 1997 WL 97097, at *15 n.16, 19 (S.D.N.Y. Feb. 26, 1997); *see also* Ira S. Nathenson, *Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction over Squatters, Poachers, and Other Parasites*, 58 U. PITT. L. REV. 911, 942-50 (1997) (urging the adoption of such a distinction).

103. 106 F. Supp. 2d 505, 507-08 (S.D.N.Y. 2000).

104. 106 F. Supp. 2d 860, 861 (E.D. Va. 2000); *see also* V'soske, Inc. v. vsoske.com, No. 00 CIV. 6099 (DC), 2001 WL 546567, at *6-7 (S.D.N.Y. May 23, 2001); Banco Inverlat, S.A. v. www.inverlat.com, 112 F. Supp. 2d 521, 522 (E.D. Va. 2000). In both *Heathmount A.E. Corp.* and *Banco Inverlat*, the plaintiff brought the suit in the Eastern District of Virginia, where NSI is located, rather than in the plaintiff's home state. (I discuss *infra* text accompanying notes 115-21, whether in rem suits can only be brought in that district.) Even under the *Indianapolis Colts* theory, of course, the defendants had no minimum contacts with Virginia. But presumably the

true, have found such an intent to be a sufficient contact with the plaintiff's home state to satisfy due process under the *Indianapolis Colts* theory. Thus, although in both *BroadBridge Media* and *Heathmount A.E. Corp.* the courts held an in rem suit appropriate because personal jurisdiction was lacking, it is probable that in the absence of the ACPA the courts would have examined the precedent more carefully and found the requisite personal jurisdiction over the defendants.[105]

Only if the plaintiff fails to allege bad faith—or if there is sufficient evidence to overcome that allegation—does the problem of personal jurisdiction become acute. But courts have generally held that an allegation of bad faith is necessary even in an in rem suit, dismissing such suits where bad faith is absent.[106] Moreover, the purpose of the ACPA is to remedy cyber-piracy, not innocent trademark infringement, and thus the in rem provisions should not be invoked in the absence of bad faith.

What about mark owners who cannot locate the registrants of infringing domain names? I have found only two cases in which plaintiffs attempted to use the in rem provisions of the ACPA in that circumstance.[107] In one case, the domain name registrant never responded, and the plaintiff was awarded the name in a default judgment.[108] In the other, the court dismissed the action, finding that the plaintiff had not exercised due diligence in searching for the registrant.[109] The plaintiff later found the registrant and sued him in personam.[110]

Finally, had Congress not enacted the ACPA, it is at least possible that courts would have developed a doctrine of in rem jurisdiction on their own. At least two plaintiffs' lawyers' creativity

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plaintiffs could have brought an in personam suit in their own home states, thus triggering the *Indianapolis Colts* analysis.

105. The same arguments may be made about the additional cases cited *supra* note 104.

106. *See, e.g.*, Hartog & Co. v. swix.com, 136 F. Supp. 2d 531, 532 (E.D. Va. 2001); Harrods Ltd. v. Sixty Internet Domain Names, 110 F. Supp. 2d. 420, 421 (E.D. Va. 2000). *But see* Jack in the Box, Inc. v. jackinthebox.org, 143 F. Supp. 2d 590, 592 (E.D. Va. 2001) (offering rather confused analysis finding that allegation of bad faith is unnecessary but allegation of likelihood of confusion is necessary). In the *Harrods* case, plaintiff refiled the complaint, alleging bad faith, and ultimately prevailed. 157 F. Supp. 2d 658 (E.D. Va. 2001).

107. I searched the Westlaw "AllFeds" data base for " 'in rem' /S 'domain name' " on August 16, 2001. I do not discuss here the cases, explored *infra* Part I.B, in which courts held that they lacked jurisdiction on the ground that ACPA in rem actions can only be brought in the district in which the registrar (NSI and its successors) is located.

108. *Jack in the Box, Inc.*, 143 F. Supp. 2d at 590.

109. Lucent Techs., Inc. v. lucentsucks.com, 95 F. Supp. 2d 528, 532 (E.D. Va. 2000).

110. *See* Lucent Techs., Inc. v. Johnson, No. CV 00-05668-GHK RNBX, 2000 WL 1604055 (C.D. Cal. Sept. 12, 2000) (denying defendant's motion to dismiss).

led them to bring in rem suits against domain names, alleging various trademark violations, prior to the enactment of the ACPA. In one case, the court allowed the plaintiff to amend its complaint some nine months later to allege a claim under the newly enacted ACPA, thus avoiding the need to decide whether the original in rem action could be maintained.[111] In the other case, the district court dismissed the action, holding that the FTDA did not permit suits in rem.[112] Plaintiffs appealed, but the intervening enactment of the ACPA spared the court of appeals from reaching the question: it remanded the case for consideration of the application of the ACPA.[113] In the absence of the ACPA, perhaps courts would ultimately have concluded that in rem actions were available for trademark infringement or dilution by domain names.[114]

The in rem provisions of the ACPA, then, unlike the substantive provisions, do add to the previous remedies afforded trademark owners, but not significantly. The provisions make it easier to sue foreign defendants, although those defendants would probably be amenable to jurisdiction under existing doctrines. The provisions may also prove useful in the case of unknown or unlocated domain name registrants, but the record to date suggests that those cases may be rare.

In light of the additional utility—however limited—of the in rem provisions, I would have no quarrel with them if they were well-drafted to avoid confusion. As I discuss in the next section, however, the in rem provisions are causing confusion and complexity. That confusion is too high a price to pay for a statute that adds so little to existing law.

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111. Caesars World, Inc. v. caesars-palace.com, 112 F. Supp. 2d 505, 506-09 (E.D. Va. 2000).

112. Porsche Cars N. Am., Inc. v. allporshe.com 51 F. Supp. 2d 707, 713 (E.D. Va. 2000) *vacated and remanded sub nom.* Porsche Cars N. Am., Inc. v. allporsche.com, 215 F.3d 1320 (4th Cir. 2000). The discussion of the viability of in rem suits may actually be somewhat limited. The court notes that only some of the registrants of the offending domain names are unknown, and concludes: "The Due Process Clause requires at least some appreciation for the differences between [known and unknown registrants], and Porsche's pursuit of an in rem remedy that fails to differentiate between them at all is fatal to its Complaint." *Id.*

The lawyer who represented Porsche (and other trademark owners) later testified before Congress, using the sad story of the district court dismissal as the primary evidence of the necessity of the ACPA. *See infra* Part I.D.

113. *See allporsche.com*, 215 F.3d at 1320.

114. For an article urging such a result, see Thomas R. Lee, In Rem *Jurisdiction in Cyberspace*, 75 WASH. L. REV. 97 (2000).

B. The ACPA Is Causing Harm

Most statutes have advantages and disadvantages. Under ordinary circumstances, we expect that Congress will pass a law only if its perceived advantages outweigh its perceived disadvantages. In regulating cyberlaw, however, where the disadvantages are largely intangible, we might expect laws to slip through that, on closer examination, do not satisfy this cost-benefit analysis. The ACPA is such a statute.

I have just argued that the advantages of the ACPA are minimal. Its disadvantages are not overwhelming, either, but they are greater than its almost nonexistent benefits. The ACPA is causing two kinds of harm, both difficult to identify or measure if one looks only to tangible interests such as those of trademark owners, consumers, and cybersquatters.

First is the harm to the legal regime itself. Whenever Congress enacts a new statute affecting actions that are already subject to other laws, some preliminary confusion is bound to occur. When faced with the new statute, courts must interpret the new language and figure out how the new statute fits into, adds to, or modifies the existing regulatory regime. The ACPA is no exception.

The most significant source of confusion is the in rem provisions. Courts have split first on *where* the ACPA allows an in rem action to be brought. Several courts have focused on the language of section (2)(A), which provides:

> The owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located . . . .[115]

These courts have held that in rem jurisdiction lies only in the district in which NSI or its successors reside.[116] At least one court has

115. 15 U.S.C. § 1125(d)(2)(A) (Supp. V 1999). Confusingly, § 1125(d)(2)(C) seems to locate the res itself—the domain name—in any district in which a court has control over it:

> (C) In an in rem action under this paragraph, a domain name shall be deemed to have its situs in the judicial district in which
>
> (i) the domain name registrar, registry, or other domain name authority that registered or assigned the domain name is located; or
>
> (ii) documents sufficient to establish control and authority regarding the disposition of the registration and use of the domain name are deposited with the court.

116. *See, e.g.*, Mattel, Inc. v. Barbie-Club.com, No. 00CIV8705, DLC 2001 WL 436207, at *1 (S.D.N.Y. May 1, 2001) (dismissing action for lack of jurisdiction over domain name registered with Maryland registrar, despite plaintiff's deposit into court of "documents establishing control over the registration and use of the domain name"); FleetBoston Fin. Corp. v. fleetbostonfinan-

expressed doubts about the constitutionality of any broader jurisdictional interpretation: after an extended discussion of *Shaffer v. Heitner*,[117] the court concluded that the minimum contacts test of *International Shoe*[118] applied to in rem as well as quasi in rem actions.[119] Whether or not that is a fair reading of *Shaffer*,[120] the injection of such a difficult question into the domain name cases undermines the utility of the ACPA in rem proceeding as a streamlined method of resolving domain name disputes. The conclusion that suits can only be brought in the registrar's home district, moreover, may overburden a few federal courts. In any case, there is a division of authority: other courts, without discussion, have allowed in rem suits in districts other than the registrar's home district, as long as the court obtains control over the domain name.[121]

Another question also arises under the in rem provisions. By its terms, the ACPA only permits in rem suits if personal jurisdiction cannot be obtained over the domain name owner (or if the owner cannot be found).[122] Courts have therefore confronted the

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cial.com, 138 F. Supp. 2d 121, 125 (D. Mass. 2001) (dismissing action for lack of jurisdiction over domain name registered with Virginia-based NSI, despite deposit into court of Registration Certificate and noting that § 1125(d)(2)(C) exists only "to facilitate the continuation of litigation in one of the districts identified in subparagraph (2)(A)").

117. 433 U.S. 186 (1977).

118. 326 U.S. 310 (1945).

119. *FleetBoston Fin. Corp.*, 138 F. Supp. 2d at 131-35.

120. One court has reached a contrary result, holding the in rem provision of the ACPA applicable despite the absence of minimum contacts. Cable News Network L.P. v. cnnews.com, 162 F. Supp. 2d 484, 491 (E.D. Va. 2001). Outside the Internet context, most courts agree that *Shaffer* does not apply to in rem actions. *See, e.g.*, RMS Titanic, Inc. v. Haver, 171 F.3d 943, 964-65 (4th Cir. 1999) (holding that minimum contacts are not necessary in in rem actions); United States v. Four Parcels of Real Prop., 893 F.2d 1245, 1249 (11th Cir. 1990) (same), *rev'd on other grounds*, 941 F.2d 1428 (11th Cir. 1991) (en banc). At least one commentator disagrees. *See* Angela M. Bohmann, *Applicability of* Shaffer *to Admiralty In Rem Jurisdiction*, 53 TUL. L. REV. 135, 141-45 (1978-1979) (arguing that *Shaffer* does apply to in rem actions in admiralty). For a thorough discussion of *Shaffer* (although not dealing with this particular issue), see generally Linda J. Silberman, Shaffer v. Heitner: *The End of an Era*, 53 N.Y.U. L. REV. 33 (1978).

121. *See, e.g.*, V'soske, Inc. v. vsoske.com, No. 00 CIV 6099(DC), 2001 WL 546567, at *5 (S.D.N.Y. May 23, 2001); BroadBridge Media, L.L.C. v. hypercd.com, 106 F. Supp. 2d 505, 508-09 (S.D.N.Y. 2000).

122.

> (2)(A) The owner of a mark may file an *in rem* civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if
>
> (i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c); and
>
> (ii) the court finds that the owner
>
> (I) is not able to obtain *in personam* jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or

question of the burden of proof required to find an *absence* of personal jurisdiction. The two courts that have addressed the issue have held that the plaintiff bears the burden of proving, by a preponderance of the evidence, that it is not able to obtain in personam jurisdiction over the defendant.[123] But since the plaintiff traditionally also bears the burden of proving the existence of jurisdiction,[124] that potentially leaves plaintiffs in a rather difficult situation.

The allocation of the burden of proof to one party can mean that in close cases that party will lose. So if the question of personal jurisdiction over the defendant is close, a plaintiff may find itself without any cause of action under the ACPA: unable to definitively prove or disprove personal jurisdiction, it will not be able to bring either an in personam or an in rem action. While this Catch-22 situation may seem only a remote possibility, it does undermine the usefulness of the ACPA to potential plaintiffs seeking the promised easy remedy for cybersquatting, as well as illustrate the problems that may arise from hastily drafted statutes.

The jurisdictional difficulties in close cases are compounded by another ruling by one of the two courts that have addressed the burden of proof question. Confronted with an attempt to bring in rem and in personam suits simultaneously, the court easily concluded that because the ACPA clearly provides for in rem jurisdiction *only* if in personam jurisdiction is lacking, the two alternatives are "mutually exclusive avenues for relief against putative infringers."[125] That much seems incontrovertible. But the court went on to hold:

> In this regard, a mark owner may not simultaneously file an *in rem* cause of action and an *in personam* claim in the hope that one claim will survive the court's jurisdictional inquiry. Rather, a mark owner must choose prior to filing whether to proceed *in rem* against the domain name or *in personam* against a putative infringer.[126]

(II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1).

15 U.S.C. § 1125(d)(2)(A) (Supp. V 1999).

123. Alitalia-Linee Aeree Italiane S.p.A. v. casinoalitalia.com, 128 F. Supp. 2d 340, 347 n.17 (E.D. Va. 2001); Heathmount A.E. Corp. v. technodome.com, 106 F. Supp. 2d 860, 862-63 (E.D. Va. 2000). Both courts also concluded that the plaintiff must show an absence of jurisdiction in *any* American forum. *Alitalia-Linee Aeree Italiane S.p.A.*, 128 F. Supp. 2d at 347 n.14; *Heathmount A.E. Corp.*, 106 F. Supp. 2d at 864 n.6.

124. *See, e.g.*, JACK H. FRIEDENTHAL ET AL., CIVIL PROCEDURE 188 (3d ed. 1999).

125. *Alitalia-Linee Aeree Italiane S.p.A.*, 128 F. Supp. 2d at 344.

126. *Id.* at 346 n.13. This seems contrary to FED. R. CIV. P. 8(e)(2) & 18(a), which allow pleading alternative theories of relief.

Thus, a plaintiff not only bears the burden of proving or disproving jurisdiction over the defendant; the plaintiff also has to guess in advance which way the court will rule.[127]

This type of confusion is the inevitable consequence of a new statute, a confusion only exacerbated by poor drafting. If my thesis is correct, the courts will eventually sort it out and reach a reasonable and predictable interpretation of the in rem provisions of the ACPA. But even if only temporary, conflicting, confusing, or unpredictable court decisions do some damage to the stability of the legal landscape. Such detrimental effects, however minor, should be justified by a corresponding benefit from the statute. I suggested in Part I.A that the ACPA offers no commensurate benefit.

Moreover, the ACPA is also causing more substantial harm to a more important intangible interest. What is particularly troubling about some of the confusion generated by the ACPA is that it implicates the First Amendment. A prohibition against paradigmatic cybersquatting—the intentional registration of another's trademark in order to profit commercially—presents no more First Amendment problems than would use of the trademark on a competing good in order to deceive the public. But sometimes a trademark is used within a domain name not for commercial purposes but to make a statement about the trademark holder. Examples include the registration of "plannedparenthood.com" by an anti-abortion activist; the registration of "lucentsucks.com" by a critic of Lucent Technologies; and the registration of "morrisonandfoerster.com" (and related names) by an opponent of "corporate America" and its lawyers. The web sites identified by such domain names are sometimes called "gripe sites."

Prior to the ACPA, the courts had a mixed record of sensitivity to free speech issues raised by gripe sites. Under traditional trademark law, use of a trademark as "part of a communicative message" would be protected.[128] In non-Internet trademark cases, a

127. The court did note that "if a mark owner's first choice falters, the alternative then may be pursued by refiling or seeking to amend the complaint." *Id.* While the availability of that course of action saves the statute from a charge of being simply a trap for the unwary, it does add significant time and expense to what is supposed to be a streamlined proceeding.

128. *See, e.g.*, Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497 (2d Cir. 1996); Nike, Inc. v. Just Did It Enters., 6 F.3d 1225 (7th Cir. 1993); Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc., 886 F.2d 490, 494-95 (2d Cir. 1989); Rogers v. Grimaldi, 875 F.2d 994, 998-99 (2d Cir. 1989); L.L. Bean Inc. v. Drake Publishers, Inc., 811 F.2d 26, 33-34 (1st Cir. 1987). *But see* Anheuser-Busch Inc. v. Balducci Publ'ns, 28 F.3d 769, 775-76 (8th Cir. 1994); *cf.* White v. Samsung Elecs. Am., Inc., 989 F.2d 1512, 1513-22 (9th Cir. 1993) (Kozinski, J., dissenting). *See generally* Jon H. Oram, *Will the Real Candidate Please Stand Up?: Political Parody on the Internet*, 5 J. INTELL. PROP. L. 467, 493-98 (1998).

balancing test ensured that the public interest in free expression could rarely be overcome by legitimate parody or political criticism.[129] But even before the ACPA took aim at domain name disputes, courts were viewing Internet political expression with a much more skeptical eye, finding both "commercial use" and likelihood of confusion more easily in cases involving web sites than in non-Internet uses of trademarks.

One early commentator[130] tellingly compared *Planned Parenthood Federation of America v. Bucci*[131] with *International Association of Machinists v. Winship Green Nursing Center.*[132] In *Planned Parenthood,* the court concluded that the public was likely to be confused, even if only temporarily, when entering "plannedparenthood.com" brought to the screen an anti-abortion web site. In *Winship Green Nursing Center,* by contrast, the court held that there was no likelihood of confusion when management circulated letters on union letterhead implying that employees would be fired, and their union dues raised, if the union won the election.[133] After *Planned Parenthood,* other courts using pre-ACPA trademark law also curtailed web sites that were arguably political criticism and that would likely be protected in any medium other than the Internet.[134]

The insensitivity to First Amendment interests exhibited by these courts may be a symptom of the newness of the technology. A few cases have recognized a distinction between cyber-piracy and gripe sites.[135] Given more time, and perhaps some helpful critical commentary, courts might have reached some accommodation between trademark rights and free speech rights under the FTDA.

For example, it is possible to distinguish *Planned Parenthood* from another case enjoining an arguably political web site,

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There is some dispute about whether (and how) the copyright doctrine of fair use, including the protection for parodies, applies to trademark law. But as one court has noted, that dispute is not relevant when the purpose of the junior user is to comment on the senior user itself, rather than to make unrelated comments or sell unrelated goods. *See* Dr. Seuss Enters. v. Penguin Books USA, Inc., 924 F. Supp. 1559, 1572 (S.D. Cal. 1996).

129. *See* Oram, *supra* note 128, at 497.

130. *See id* at 500.

131. 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997).

132. 103 F.3d 196 (1st Cir. 1996).

133. *See* Oram, *supra* note 128, at 500.

134. *See, e.g.,* OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 186 (W.D.N.Y. 2000); Jews for Jesus v. Brodsky, 993 F. Supp. 282, 303 (D.N.J. 1998).

135. *See* Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161, 1162 (C.D. Cal. 1998) (refusing to enjoin compupix.com/ballysucks web site).

Jews for Jesus v. Brodsky.[136] In *Planned Parenthood*, the URL plannedparenthood.com called up a web site that purported to be the home page of the real Planned Parenthood organization, prolonging any potential confusion.[137] It was only after scrolling or clicking through several screens that a web-surfer might realize that she had not in fact reached Planned Parenthood. In *Jews for Jesus*, by contrast, the initial web site called up by the domain-name "jewsforjesus.org" clearly proclaimed that it was neither affiliated with, nor in agreement with the tenets of, the plaintiff organization. One might argue that under these circumstances, enjoining "plannedparenthood.com" was more justifiable than enjoining "jewsforjesus.com." Perhaps courts might have eventually settled on this or some other plausible distinction in applying the FTDA and the Lanham Act to domain name disputes. Perhaps they still will.[138]

In the meantime, however, the ACPA has prolonged the process of accommodation and exacerbated the difficulties. Even to the extent that the ACPA simply duplicates previously available remedies, it nevertheless requires courts to analyze the tension between trademark law and the First Amendment under new statutory language, jeopardizing whatever progress had been made under earlier statutes. To whatever degree courts were beginning to weigh First Amendment concerns against trademark rights in FTDA cases, confronting the new language of the ACPA means that they will have to begin anew.[139] In addition, the ACPA gives trade-

136. 993 F. Supp. at 282.

137. Note that the question of "initial confusion" is not addressed by either the FTDA or the ACPA, and courts have been using common law techniques to deal with it. *See infra* Part I.C.

138. Another distinction might be whether the site was always and only a gripe site, or whether uploading criticism onto the site seems to be merely a way to protect the domain name registrant from a charge of cyber-piracy. *See* E. & J. Gallo Winery v. Spider Webs Ltd., 129 F. Supp. 2d 1033, 1045 (S.D. Tex. 2001) (concerning defendant who registered "ernestandjulio-gallo.com" with admitted hope of interesting Gallo in purchasing name, and who, after litigation began, established web site at that domain name, criticizing Gallo, alcohol, and "big business").

139. Under the ACPA, just as under the FTDA, courts are split on the appropriate treatment of gripe sites. *Compare* Lucent Techs., Inc. v. lucentsucks.com, 95 F. Supp. 2d 528, 535-36 (E.D. Va. 2000) ("A successful showing that lucentsucks.com is effective parody and/or a cite [sic] for critical commentary would seriously undermine the requisite elements for [the ACPA]."), *with* Lucent Techs. v. Johnson, No. CV 00-05668-GHK RNBX, 2000 WL 1604055, at *3 (C.D. Cal. Sept. 12, 2000) (rejecting "per se rule that 'yourcompanynamesucks' domain names, as a group, merit application of a 'safe harbor' defense on First Amendment grounds"). In general, courts that have addressed both ACPA and FTDA claims together have generally reached the same results under both statutes. *See, e.g.*, Northland Ins. Cos. v. Blaylock, 115 F. Supp. 2d 1108, 1122-25 (D. Minn. 2000) (ordering no preliminary injunction under either ACPA or FTDA for gripe site); People for the Ethical Treatment of Animals, Inc. v. Doughney, 113 F. Supp. 2d 915,

mark owners another weapon with which to threaten those who establish gripe sites. Verizon, for example, after carefully registering verizonsucks.com, was dismayed when an online magazine registered verizonreallysucks.com. It sent the publisher a letter warning that the magazine's registration of the domain name "infringes Bell Atlantic's valuable trademark rights in the 'Verizon' mark and violates the new Anticybersquatting Consumer Protection Act."[140]

Moreover, the ACPA might make it even easier to attack gripe sites. One commentator concludes that "the ACPA has granted trademark owners more control over the use of the marks as domain names than they have for any other use."[141] Since courts under prior trademark law were, as we have just seen, already according trademarks somewhat more protection on the Internet than elsewhere, any additional protection afforded by the ACPA will cut further into the domain of freedom of speech.

Some courts have already exhibited confusion about the relationship between bad faith under the ACPA and willfulness under the FTDA,[142] essentially reducing the ACPA requirement to "bad faith" rather than "bad faith intent to profit." Since virtually by

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920 (E.D. Va. 2000) (ordering summary judgment for plaintiff under both ACPA and FTDA for domain name peta.org, which brings up web site labeled "People Eating Tasty Animals").

140. Wired News, *Real Cybersquatting Really Sucks* (May 9, 2000), *available at* http://www.wired.com/news/business/-0,1367,36210,00.btml. The magazine's owner was not deterred, promptly registering the domain name VerizonShouldSpendMoreTimeFixingItsNetworkAndLessMoneyOnLawyers.com. *Id.*

141. Blasbalg, *supra* note 58, at 567; *see also* David C. Najarian, *Internet Domains and Trademark Claims: First Amendment Considerations*, 41 IDEA 127, 145 (2001) (arguing that ACPA is "two steps backward" in protection of free expression); Alanna C. Rutherford, Sporty's Farm v. Sportsman's Market*: A Case Study in Internet Regulation Gone Awry*, 66 BROOK. L. REV. 421, 441 (2000) (suggesting that the ACPA is at the bottom of a slippery slope begun by dilution laws).

Others have expressed concern that courts have allowed large corporations to "reverse hijack" domain names, by bullying a smaller company with a legitimate claim to a particular domain name into giving up the name under threat of litigation, a practice some worry might become easier under the ACPA. *See, e.g.*, David P. Collins, Casenote, *Internet Ambush: Using the Patent and Trademark Office to Shut Down a Competitor's Domain-Name*, 4 CHAP. L. REV. 231, 249-53 (1999); Kevin K. Eng, Note, *Breaking Through the Looking Glass: An Analysis of Trademark Rights in Domain Names Across Top Level Domains*, 6 B.U. J. SCI. & TECH. L. 7, at *76-78 (2000), *at* http://www.bu.edu/law/scitech; Kaplan, *supra* note 42, at 76-78; Matthew Edward Searing, Note, *What's in a Domain Name? A Critical Analysis of the National and International Impact on Domain Name Cybersquatting*, 40 WASHBURN L.J. 110, 134 (2000). A particularly egregious example of reverse hijacking was the attempt by the makers of Gumby and Pokey toys to take the domain name "pokey.org" from a twelve-year-old whose nickname was Pokey. *See* Mark Grossman & Allison K. Hift, *Is the Cybersquatting Cure Worse than the Disease?*, LEGAL TIMES, Jan. 24, 2000, at 24, 24.

142. *See, e.g.*, United Greeks, Inc. v. Klein, No. 00-CV-0002, 2000 WL 554196 (N.D.N.Y. May 2, 2000); Morrison & Foerster LLP v. Wick, 94 F. Supp. 2d 1125 (D. Colo. 2000).

definition gripe sites involve bad faith in the broadest sense—at least insofar as they disparage or attack a trademark owner—the ACPA might cover them all. Indeed, one court has held that an admitted intent to "get even with" or "mess with" a trademark owner offers "[t]he most persuasive reason for concluding that [the defendant] acted with bad faith intent."[143] The ACPA's potential incursion into protected speech is thus a troubling possibility.

To the extent that the ACPA does alter the preexisting law, then, it does so in ways that either increase confusion or heighten the tension between trademark protection and the First Amendment. Again, this seems to be a high price for such a small gain.

C. The ACPA Is Already Becoming Obsolete

1. Cyber-Mischief Innovations

Congress may act more quickly than the courts, but the Internet changes even faster. The final problem with the ACPA is that it deals only with yesterday's problems, not today's. It has nothing to say, for example, about the use of trademarks in metatags. Metatags are computer-readable material, embedded into web sites but unseen by the consumer. They are chosen by the web site owner in order to alert search engines to the contents of the site.

For many people, search engines such as AltaVista or Google provide an entry point into the worldwide web.[144] These search engines work by essentially crawling around the web and looking not only at the web site itself, but also at the metatags and other embedded material. (Some search engines look only at the embedded portion, others only at the visible portion, and still others examine both parts.) The search engine stores the metatags it has discovered (and their Internet locations), and when an individual enters words into a search engine it produces a matching list of sites.[145]

143. *Morrison & Foerster LLP*, 94 F. Supp. 2d at 1133. For a general critique of courts' interpretations of "bad faith intent to profit," see Xuan-Thao Nguyen, *Blame It on the Cybersquatters: How Congress Partially Ends the Circus Among the Circuits with the Anticybersquatting Consumer Protection Act*, 32 LOY. U. CHI. L.J. 777, 801-06 (2001).

144. Yahoo, another popular method of searching the web, is a human-composed index rather than a mechanical search engine. *See* DON SELLERS, GETTING HITS: THE DEFINITIVE GUIDE TO PROMOTING YOUR WEB SITE 3-4 (1997). It is therefore not as susceptible to metatag abuse.

145. For descriptions of how search engines and metatags work, see Askan Deutsch, *Concealed Information in Web Pages: Metatags and U.S. Trademark Law*, 31 INT'L REV. OF INDUS. PROP. & COPYRIGHT L. 845, 847-52 (2000); Ira S. Nathenson, *Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 HARV. J.L. & TECH. 43, 59-64 (1998); Maureen

Cyber-pirates quickly realized that putting a competitor's name into their metatags might bring them additional customers. A consumer looking for, say, McDonald's, might type "McDonald's" into a search engine. If Burger King has included "McDonald's" among its metatags, the search engine will produce a list that contains *both* the McDonald's and Burger King sites.[146] A consumer who was just looking for hamburgers—and simply remembered McDonald's as the best-known brand—might decide to buy from Burger King instead. Or perhaps KFC, which doesn't sell hamburgers, might include "McDonald's" and "hamburgers" in its metatags, hoping to remind consumers seeking fast food that there are alternatives to hamburgers. A vegetarian organization might use similar metatags hoping to win converts to its anti-meat positions (imagine the picture of an abattoir that might greet the consumer at a vegetarian web page identified by a McDonald's metatag). Metatags thus offer boundless opportunities for clever marketers.[147]

Since the public never sees the metatags, however, and the competing web sites are clearly marked with their own trademarks, the use of trademarks in metatags raises difficult questions under infringement and dilution law. How can an unseen trademark cause confusion or dilute the distinctiveness of the mark?[148] But confronted with suits alleging that using another's trademark in meta-

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O'Rourke, *Defining the Limits of Free-Riding in Cyberspace: Trademark Liability for Metatagging*, 33 GONZ. L. REV. 277, 279-87 (1997-1998).

146. As well as thousands of others. Entering "McDonald's" into the Google search engine on June 21, 2001, produced 490,000 hits. The hamburger giant was listed first. Entering "McDonald's hamburgers" produced 15,000 hits, including a site discussing how many cows are slaughtered each year to make McDonald's hamburgers.

147. For a description of a pornographic site cleverly incorporating scores of trademarks, see Peter Johnson, *Can You Quote Donald Duck? Intellectual Property in Cyberculture*, 13 YALE J. L. & HUMAN. 451, 481 (2001).

148. As in the case of cybersquatting, some early commentators predicted that courts might have trouble finding the necessary elements. *See, e.g.*, Nathenson, *supra* note 145, at 111-18 (arguing that infringement is "conceptually inapposite" in metatag cases); O'Rourke, *supra* note 145, at 293-94 (arguing that infringement claims for metatags are "likely to founder on the key element of likelihood of confusion"); *id.* at 302 (suggesting that dilution claims will also be of limited value); Michael R. Sees, Comment, *Use of Another's Trademark in a Web Page Meta Tag: Why Liability Should Not Ensue Under the Lanham Act for Trademark Infringement*, 5 TEX. WESLEYAN L. REV. 99, 113 (1998) ("Since exposure of the trademark on the web page does not occur, the likelihood of confusion of the prospective purchaser does not exist . . . ."); Scott Shipman, Comment, *Trademark and Unfair Competition in Cyberspace: Can These Laws Deter "Baiting" Practices on Web Sites?*, 39 SANTA CLARA L. REV. 245, 282-83 (1998) (predicting that neither dilution nor infringement law is likely to protect trademark owners in metatag cases); Craig K. Weaver, Note, *Signpost to Oblivion? Meta-Tags Signal the Judiciary to Stop Commercial Internet Regulation and Yield to the Electronic Marketplace*, 22 SEATTLE U. L. REV. 667, 677-83 (1998) (same). Despite the pessimism, the common law method has nonetheless proven itself up to the task.

tags constituted infringement or dilution, the courts have turned to a trademark doctrine known as "initial interest confusion."

The doctrine of "initial interest confusion" was first developed by the Second Circuit in 1987, long before the commercialization of the Internet and the subsequent plethora of Internet trademark issues. In *Mobil Oil Corp. v. Pegasus Petroleum Corp.*,[149] the court held that misleading potential customers through the use of a registered mark could constitute trademark infringement even if any confusion dissipated before a sale was made. Other courts have also adopted the doctrine, allowing a finding of infringement even in the absence of an actual sale.[150] It is the use of the trademark to draw attention to one's own products—to get one's foot in the door—that constitutes the infringing use, regardless of what follows.

Despite its development in a non-Internet context, the doctrine of "initial interest confusion" seems tailor-made for metatag disputes. The Ninth Circuit was the first court to draw the analogy between real space and cyberspace:

> Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading—"West Coast Video: 2 miles ahead at Exit 7"—where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill.[151]

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149. 818 F.2d 254 (2d Cir. 1987).

150. *See, e.g.*, Interstellar Starship Servs., Ltd. v. Epix, 184 F.3d 1107, 1109 (9th Cir. 1999); Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998); Dorr-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376, 380-81 (7th Cir. 1996); cases cited *supra* notes 144-45; *see also* People for the Ethical Treatment of Animals, Inc. v. Doughney, 113 F. Supp. 2d 915, 919-20 (E.D. Va. 2000) (adopting similar doctrine without calling it "initial interest confusion" or citing *Pegasus Petroleum Corp.*); Green Prods. Co. v. Independence Corn By-Products Co., 992 F. Supp. 1070, 1076 (N.D. Iowa 1997) (same); Securacom Consulting, Inc. v. Securacom Inc., 984 F. Supp. 286, 298 (D.N.J. 1997) (same). *But see* Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207 (1st Cir. 1983) (rejecting doctrine in case prior to *Pegasus*). *See generally* Rachel Jane Posner, *Manipulative Metatagging, Search Engine Baiting, and Initial Interest Confusion*, 33 COLUM. J.L. & SOC. PROBS. 439 (2000).

151. Brookfield Communications, Inc. v. West Coast Entm't Corp., 174 F.3d 1036, 1064 (9th Cir. 1999). The billboard analogy is not perfect. As one court has recognized, correcting an initial error on the web is easier than correcting one on the highway. Bihari v. Gross, 119 F. Supp. 2d 309, 320 n.15 (S.D.N.Y. 2000). Moreover, the metatag miscreant misleads non-human search

Other courts have also held that the use of trademarks in metatags constitutes infringement in these circumstances.[152]

There are still open questions, of course, including disputes about the extent to which "initial interest confusion" should apply to sites criticizing the trademark owner.[153] And there is a lively debate in the literature about the extent to which metatagging should be considered a Lanham Act violation at all.[154] But despite the superficial strangeness of the metatag question, courts are successfully adapting existing trademark law to this new context. This is another real world problem resolved in the courts, although the ACPA was not prescient enough to add anything to the analysis.

Moreover, neither the ACPA nor a hypothetical Anti-Metatag Act[155] are likely to answer the cyberspace trademark questions that are inevitably just around the corner. The abuse of metatags is not limited to trademark infringement: some web site owners load up their metatags with irrelevant but frequently requested words, such as "sex" (a strategy sometimes called "spamdexing").[156] Different search engines use different strategies to deal with the problem,

engines rather than consumers; some commentators have suggested that that fact should preclude infringement actions. *See* Nathenson, *supra* note 145, at 112; Sees, *supra* note 148, at 115; Shipman, *supra* note 148, at 271-74. *But see* Posner, *supra* note 150, at 492-97 (arguing that humans are ultimately confused). Nevertheless, the billboard analogy is sufficiently persuasive to justify the use of the "initial interest confusion" doctrine in the context of metatags.

152. *See, e.g.*, N.Y. State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331 (S.D.N.Y. 1999); Playboy Enters., Inc. v. Asiafocus Int'l, Inc., C.A. No. 97-734-A, 1998 WL 724000 (E.D. Va. Apr. 10, 1998); Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102 (D. Mass. 1998); Playboy Enters., Inc. v. Calvin Designer Label, 985 F. Supp. 1220 (N.D. Cal. 1997). *But see* Nathenson, *supra* note 145, at 114-22 (criticizing use of initial interest confusion in metatag cases, but suggesting that metatag abuse constitutes dilution). *See generally* Posner, *supra* note 150.

153. *Compare* Planned Parenthood Fed'n of Am. v. Bucci, 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997), *with* Bihari v. Gross, 119 F. Supp. 2d 309 (S.D.N.Y. 2000).

154. *See, e.g.*, Nathenson, *supra* note 145, at 59-63 (offering detailed discussion of legitimate and illegitimate uses of metatags); O'Rourke, *supra* note 145, at 302-07 (suggesting that many uses of another's trademark in metatags should not be actionable); Posner, *supra* note 150, at 505 (praising the *Brookfield Communications* case and urging other circuits to consider metatagging as trademark infringement); Collins, *supra* note 141, at 264-67 (criticizing *Brookfield Communications* case and application of initial interest confusion to Internet); Tom Monagan, Note, *Can an Invisible Word Create Confusion? The Need for Clarity in the Law of Trademark Infringement Through Internet Metatags*, 62 OHIO ST. L.J. 973, 1000-05 (2001) (suggesting that courts bave strayed from basic trademark law and overprotected trademarks in the context of metatags); Sees, *supra* note 148, at 112-13 (same); Weaver, *supra* note 148, at 670.

155. One commentator has proposed that Congress should amend trademark law to deal with metatag problems. Shipman, *supra* note 148, at 283-85; *cf.* Martin, *supra* note 42, at 607-09 (suggesting Congress should resolve "initial interest confusion" questions).

156. *See* Deutsch, *supra* note 145, at 851-52; Nathenson, *supra* note 145, at 63.

none of them fully successful as yet.[157] But a technological solution is probably on the horizon: it is the nature of this fast-developing technology that almost as fast as one form of cyber-mischief develops, electronic countermeasures will be found to solve the problem. It is equally probable, of course, that future cyber-pirates will find another way to make money off the Internet. By the time Congress passes a statute designed to deal with a problem, technology is likely to make the new remedy obsolete. Where the technology is not quite fast enough to solve the problem, courts, constantly confronting the latest version of cyber-piracy, can tweak existing doctrine and adapt. Congress has to go back to the drawing board each time, something that it is unlikely to do and that will ultimately be a waste of time.

And metatags are just the tip of the iceberg when it comes to technological innovations. Courts will soon face new copyright and trademark questions involving framing, hyperlinking, and keywords, all of which involve methods of getting from one web site to another without using a domain name.[158] In the context of personal jurisdiction doctrines, addressed in Part III, courts will have to decide whether "cookies" and "packet-sniffers" are sufficient to confer personal jurisdiction.[159] And if in the meantime Congress has passed a statute to govern personal jurisdiction on the Internet, I have no doubt that that statute will be at least as unhelpful in cookie and packet-sniffer cases as the ACPA has been in cybersquatting cases.

157. For a description of some older attempts to get around the problem, see O'Rourke, *supra* note 145, at 286-87.

158. *See* Maureen O'Rourke, *Fencing Cyberspace: Drawing Borders in a Virtual World*, 82 MINN. L. REV. 609, 634-84 (1998); Maureen A. O'Rourke, *Property Rights and Competition on the Internet: In Search of an Appropriate Analogy*, 16 BERKELEY TECH. L.J. 561, 567-98 (2001); Scott J. Rubin, *The Internet and the Legal Battlegrounds of the Future: From Internet Domain Names to Internet Keywords*, 68 UMKC L. REV. 77, 94-113 (1999).

159. Every time I teach personal jurisdiction in Civil Procedure and tell the students about the latest cutting edge cyberlaw issues, a tech-savvy student inevitably raises a question that courts have not yet confronted. Last year it was cookies, which are little information-gathering bits of data that go from a web site to a visitor's own computer and send information about the visitor's surfing habits back to the web site owner. Since the consumer doesn't even know about them, it's hard to characterize them as "interactive," and yet they are certainly not "passive." This year it was packet-sniffers. Packet-sniffers present even more of a personal jurisdiction problem than cookies, because they do not have a geographic location at all: they search (or "sniff") message packets traveling through the ethernet in order to gather various kinds of information.

2. Remedial Innovations

In the case of cybersquatting, it is not only technology that has overtaken congressional enactments. Some changes have made cybersquatting less of a problem in particular cases. For example, the ongoing development of additional top-level domains (such as .biz for businesses, .aero for the airline industry, .museum for museums, and .name for individuals)[160] will make conflict less likely: the child named Pokey will now be able to register pokey.name without interfering with the toy maker's desire to own pokey.com.[161]

However, the most significant development is the availability of an alternative to federal litigation by aggrieved trademark owners. In November 1999—ironically, the same month that the ACPA took effect—the Internet Corporation for Assigned Names and Numbers ("ICANN"), an international nonprofit organization with overall responsibility for domain names, established its Uniform Domain Name Dispute Resolution Policy ("UDRP"). Under the UDRP, any domain name registrant must agree to submit to nonbinding arbitration if its domain name is challenged by a trademark owner.

To prevail under the UDRP, a complaining mark owner must allege and prove that: "(i) [the registrant's] domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and (ii) [the respondent] has no rights or legitimate interests in respect of the domain name; and (iii) [the] domain name has been registered and is being used in bad faith."[162] The UDRP provides a nonexhaustive list of three factors to determine whether the registrant has a legitimate interest in the domain name: (1) that the registrant used the name prior to notice of the dispute; (2) that the registrant is commonly known by the name; or (3) that the registrant is making a fair or noncommercial use of the name.[163] The UDRP contains a further nonexhaustive list of four factors governing the determination of bad faith: obtaining the domain name (1) "for the purpose of selling, renting, or otherwise transferring it" for profit; (2) "in order to prevent the owner of the [mark] from reflecting the mark in a corresponding domain name"; (3) "for the purpose of disrupting the business of a competitor"; or

160. *See* ICANN New TLD Program, *at* http://www.icann.org/tlds (last visited Aug. 10, 2001).

161. *See supra* note 141.

162. ICANN Uniform Domain Name Dispute Resolution Policy § 4(a), *available at* http://www.icann.org/udrp/udrp-policy-24oct99.htm (last visited July 23, 2000).

163. *Id.* § 4(c).

(4) to "attract, for commercial gain, Internet users . . . by creating a likelihood of confusion . . . as to the source, sponsorship, affiliation, or endorsement of . . . the web site."[164]

If these elements and factors sound familiar, they should. As one commentator has noted, the UDRP and the ACPA are "essentially the same law."[165] But unlike the hastily enacted ACPA, the UDRP was several years in the making, and was adopted in response to both a U.S. Department of Commerce "White Paper" and a WIPO (World Intellectual Property Organization) Report, which in turn drew on successive drafts with extensive comment periods.[166] And while the UDRP has been subject to some criticism,[167] it is apparently much more popular with trademark owners than is the ACPA: there are only about forty reported ACPA cases, but there have been over 4,000 arbitrations under the UDRP.[168]

The ACPA, then, offers a classic illustration of congressional regulation in an area that would have been better left to the judiciary and the international organization created to deal with exactly the problems that prompted the ACPA. Trademark owners prefer

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164. *Id.* § 4(b).

165. Donna L. Howard, *Trademarks and Service Marks and Internet Domain Names: Giving ICANN Deference*, 33 ARIZ. ST. L.J. 637, 657 (2001). For a contrary view, see Jason M. Osborn, Note, *Effective and Complementary Solutions to Domain Name Disputes: ICANN's Uniform Domain Name Dispute Resolution Policy and the Federal Anticybersquatting Consumer Protection Act of 1999*, 76 NOTRE DAME L. REV. 209, 237-49 (2000) (listing differences between the two systems).

166. For a history of ICANN and the UDRP, see A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17, 50-93 (2000); Stacey H. King, *The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting*, 22 HASTINGS COMM. & ENT. L.J. 453, 468-501 (2000); LiRocchi et al., *supra* note 24, at 434-42; Christopher J. Schulte, *The New Anticybersquatting Law and Uniform Dispute Resolution Policy for Domain Names*, 36 TORT & INS. L.J. 101, 102-05 (2000); *see also* Marshall Leaffer, *Domain Names, Globalization and Internet Governance*, 6 IND. J. GLOBAL LEGAL STUD. 139, 139-65 (1998) (reviewing the ongoing problems as of 1998).

167. *See, e.g.*, Robert Badgley, *Internet Domain Names and ICANN Arbitration: The Emerging "Law" of Domain Name Custody Disputes*, 5 TEX. REV. L. & POL. 343, 360-68 (2001); Gideon Parchomovsky, *On Trademarks, Domain Names, and Internal Auctions*, 2001 U. ILL. L. REV. 211, 225-29; Ian L. Stewart, Note, *The Best Laid Plans: How Unrestrained Arbitration Decisions Have Corrupted the Uniform Domain Name Dispute Resolution Policy*, 53 FED. COMM. L.J. 509 (2001); Froomkin, *supra* note 166; Moreland & Springer, *supra* note 25, at 389-94; Najarian, *supra* note 141, at 134-39; Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain Name System*, 4 J. SMALL & EMERGING BUS. L. 149, 161-65 (2000); Elizabeth G. Thornburg, *Going Private: Technology, Due Process, and Internet Dispute Resolution*, 34 U.C. DAVIS L. REV. 151 (2000); Searing, *supra* note 141, at 134-39; Kaplan, *supra* note 42, at 80-82. Much of the criticism charges that the UDRP gives trademark owners too much power. Whether or not that is true, the ACPA does not protect domain name registrants from bullying by trademark owners, and thus offers no additional benefit to defendants.

168. *See* ICANN, *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, *available at* http://www.icann.org/udrp/proceedings-stat.htm (last visited July 23, 2001); *see also* Badgley, *supra* note 167, at 348-50.

the UDRP. The First Amendment and the judicial system are better served by continuing under the FTDA. The ACPA, on the other hand, benefits no one: it accomplishes little, and does so at some cost. Why, then, was it enacted? The next section returns to that question, raised first in the Introduction.

D. Congress and the Courts

Congress was not unaware of the ACPA's flaws; it was simply able to ignore them because they were so ephemeral. The legislative history of the ACPA offers a perfect illustration of what happens when one-sided pressure on Congress overwhelms its ability to take the long view or to consider intangible interests.

The ACPA was enacted as part of an omnibus appropriations bill. It was apparently considered so minor, in fact, that it was passed unanimously by both houses of Congress with little or no discussion.[169] The President did not even mention the anticybersquatting portion of the appropriations bill in his signing statement.[170]

The only significant discussion of the ACPA occurred in a hearing before the Senate Judiciary Committee.[171] That hearing exemplified the arguments against hasty passage of cyberlegislation. The committee heard from three live witnesses, each of whom also submitted a written statement.[172] Those witnesses all represented trademark owners: one was the president of the International Trademark Association ("INTA"), another was a lawyer who represented trademark owners, and the third was the head of a company that investigated trademark violations on the Internet. All three stressed that cybersquatting was accelerating, and that it was confusing consumers and jeopardizing e-commerce.[173] Their unani-

169. *See* 106 CONG. REC. H10823-31 (daily ed. Oct. 26, 1999) (desultory praise but no substantive discussion); 106 CONG. REC. S10513-20 (daily ed. Aug. 5, 1999) (no discussion).

170. *See* Statement by President William J. Clinton upon Signing H.R. 3194, Pub. L. 106-113, 106th Cong. (1999), *reprinted in* 1999 U.S.C.C.A.N. 290.

171. The hearing actually considered an earlier version of the ACPA. Several amendments and substitutions occurred subsequently, but none were accompanied by any substantive discussion.

172. *Cybersquatting and Consumer Protection: Ensuring Domain Name Integrity: Hearings on S.1255 Before the Senate Comm. on the Judiciary*, 106th Cong. (1999).

173. *See, e.g.*, *id.* at 6 (statement of Anne H. Chasser, President, International Trademark Association) ("Cybersquatting is on the rise."); *id.* at 9 (Chasser) ("INTA believes that the progress [in e-commerce] made thus far, as well as that which is anticipated, will not be truly realized unless there is a legal mechanism in place that specifically addresses cybersquatting."); *id.* at 11 (statement of Gregory D. Phillips, Howard, Phillips & Andersen) ("[T]he cost of cybersquat-

mous opinion was that a federal anticybersquatting law was an immediate necessity.

But Congress was not left to ferret out potential problems on its own. Two law professors, both experts in intellectual property law, submitted written testimony. Their testimony presaged my arguments in this Article. Professors Jessica Litman and Michael Froomkin told Congress that the courts had been consistently ruling against cybersquatters under existing law, that WIPO was developing mandatory arbitration rules that would solve the problem, and that the proposed statute jeopardized First Amendment interests.[174] Froomkin concluded that the bill "will do more harm than good."[175]

Congress was particularly made aware that the courts were taking care of the problem. Both professors provided detailed discussions of the existing case law: Litman stated that "courts have been merciless to defendants perceived as cybersquatters,"[176] while Froomkin noted that "every cybersquatter who has gone to court has lost."[177] The other witnesses could not refute this evidence. Instead, when asked about it, they replied that cybersquatting was on the rise and that cybersquatters were getting smarter and better able to evade existing trademark law.[178] They provided no support for either assertion. Moreover, as my survey of the cases suggests, the courts uniformly dealt harshly with cybersquatters, however clever. Nevertheless, the Committee unanimously voted the bill out, and Committee members touted its virtues to the full Senate.

That Congress ignored law professors should come as no surprise,[179] but there is a lesson here. Litman and Froomkin were

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ting and cyberpiracy is enormous."); *id.* at 16 (Phillips) ("[E]lectronic commerce . . . must be protected from malicious and willful acts of cyberpiracy . . . ."); *id.* at 45 (statement of Christopher D. Young, President & Co-Founder, Cyveillance, Inc.) ("Consumers are the real victims . . . of cybersquatters . . . .").

174. *See id.* at 73-79 (statements of Jessica Litman, Professor of Law, Wayne State University, and A. Michael Froomkin, Professor of Law, University of Miami School of Law).

175. *Id.* at 77.

176. *Id.* at 74.

177. *Id.* at 77.

178. *See, e.g., id.* at 8 (Chasser) ("[C]ybersquatters . . . have taken the necessary precautions to insulate themselves from liability."); *id.* at 11 (Phillips) ("Cyberpirates are sophisticated. They know how to insulate themselves from legal process."); *id.* at 61 (Chasser) (stating that "instances of cybersquatting are clearly on the rise" and "[c]ybersquatters are clever").

179. Perhaps some of it is the fault of our profession, for claiming to know too much. *See* Neal Devins, *Bearing False Witness: The Clinton Impeachment and the Future of Academic Freedom*, 148 U. PA. L. REV. 165, 165-79 (1999); Ward Farnsworth, *Talking Out of School: The Transmission of Intellectual Capital from the Legal Academy to Public Tribunals*, 81 B.U. L. REV. 13, 13-21 (2001); Suzanna Sherry, *Too Clever by Half: The Problem with Novelty in Constitutional Law*, 95 NW. U. L. REV. 921, 928-30 (2001).

representing an abstraction, defending the judicial process and the First Amendment rather than anyone's concrete interests. The task fell to experts because these intangible public interests have no partisans. Congress did not enact this unnecessary law out of ignorance, but out of the political circumstances of the latest cyber-crisis.

And the ACPA is not the only federal statute that creates more problems than it solves. The next section looks at E-SIGN, another unnecessary and potentially harmful federal statute governing cyber-technology. E-SIGN is neither as significant nor as problematic as the ACPA, but it provides another example of crisis-induced legislation.

II. WRITING THE FUTURE: E-SIGN

If you are reading this Article online, are you reading a "writing"? Uncertainty about possible judicial answers to that question triggered concern about whether electronic contracts and electronic "signatures" would be held valid. The statute of frauds and other laws require certain contracts to be "in writing." Many contracts and other documents must be "signed" to be legally valid. The new technology used in e-commerce raised questions about the application of such requirements to contracts and signatures that were produced by—and often remained entirely within—the ones and zeroes of a computer's circuitry.

Courts have dealt with similar problems in the past, as other new technology supplemented or replaced paper-and-ink contracts. They have consistently held that telegrams and telexes constitute a writing sufficient to satisfy the statute of frauds[180] and have assumed without deciding that faxes also do so.[181] Any collection of symbols that the sender intends to serve as a signature does so, including names on telegrams (communicated orally to an opera-

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180. *See, e.g.*, Selma Sav. Bank v. Webster County Bank, 206 S.W. 870 (Ky. Ct. App. 1918); Howley v. Whipple, 48 N.H. 487 (1869). *See generally* Douglas Robert Morrisson, *The Statute of Frauds Online: Can a Computer Sign a Contract for the Sale of Goods?*, 14 GEO. MASON L. REV. 637, 638 (1992) (collecting cases); John Robinson Thomas, Note, *Legal Responses to Commercial Transactions Employing Novel Communications Media*, 90 MICH. L. REV. 1145, 1149-52 (1992) (collecting cases).

181. *See, e.g.*, Bogue v. Sizemore, 608 N.E.2d 1246, 1249 (Ill. App. Ct. 1993); Bazak Int'l Corp. v. Mast Indus., Inc., 535 N.E.2d 633, 638-39 (N.Y. 1989); Am. Multimedia, Inc. v. Dalton Packaging, Inc., 540 N.Y.S.2d 410 (Sup. Ct. 1989). *See generally* Thomas, *supra* note 180, at 1155-60 (collecting cases).

tor),[182] telexes,[183] faxes (whether originally handwritten or typed),[184] and even simply a printed name and logo on a form.[185]

Beginning in the late 1980s, courts also held that information recorded on a computer disk constitutes a "writing" for various purposes.[186] A few courts have now begun to hold that purely electronic messages—even if not saved to a disk—are also "writings." In *People v. Perry*,[187] for example, the court held that the electronic submission of false Medicaid claims was actionable under a statute penalizing the submission of false written instruments. And in *Doherty v. Registry of Motor Vehicles*, the court upheld as "signed" an e-mail message that identified itself as "the report of Trooper Thomas Kelley," and contained a statement that "[d]ata entry and transmission were done by Kelly, Thomas, by or at the direction of Trooper Thomas Kelley."[188]

Most recently, courts have upheld "clickwrap" agreements: before downloading software, the user must click a box that indicates his agreement to the terms and conditions specified by the software provider. Courts have uniformly held that clickwrap contracts satisfy all writing and signature requirements.[189]

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182. *See, e.g.*, *Selma Sav. Bank*, 206 S.W. at 870; Hillstrom v. Gosnay, 614 P.2d 466, 468-70 (Mont. 1980); *see also* McMillian, Ltd. v. Warrior Drilling & Eng. Co., 512 So. 2d 14, 23 (Ala. 1986) (mailgram); Hessenthaler v. Farzin, 564 A.2d 990, 994 (Pa. Super. Ct. 1989) (same). *See generally* Thomas, *supra* note 180, at 1155-60 (collecting cases).

183. *See, e.g.*, Joseph Denunzio Fruit Co. v. Crane, 79 F. Supp. 117, 126-29 (S.D. Cal. 1948), *vacated*, 89 F. Supp. 962 (1950), *reinstated*, 188 F.2d 569 (9th Cir. 1952). *See generally* Thomas, *supra* note 180, at 1152-55 (collecting cases).

184. *See, e.g.*, People v. Guzman, 581 N.Y.S.2d 117, 119-20 (Crim. Ct. 1992).

185. *See* Kohlmeyer & Co. v. Brown, 192 S.E.2d 400, 404 (Ga. Ct. App. 1972).

186. *See, e.g.*, Clyburn v. Allstate, 826 F. Supp. 955, 956-57 (D.S.C. 1993); People v. Avila, 770 P.2d 1330, 1332 (Colo. Ct. App. 1988); People v. Rushton, 626 N.E.2d 1378, 1388 (Ill. App. Ct. 1993).

187. 605 N.Y.S.2d 970 (App. Div. 1993).

188. *See* BENJAMIN WRIGHT & JANE K. WINN, THE LAW OF ELECTRONIC COMMERCE §§ 14.05[E], 14-23 to 14-24 (3d ed. 1998) (discussing unpublished opinion in *Doherty*).

189. *See, e.g.*, *In re* RealNetworks, Inc. v. Privacy Litig., No. 00C1366, 2000 WL 631341, at *2-4 (N.D. Ill. May 8, 2000); Hotmail Corp. v. Van$ Money Pie, Inc., 47 U.S.P.Q.2d (BNA) 1020, 1025 (N.D. Cal. 1998); Caspi v. Microsoft Network, L.L.C., 732 A.2d 528, 530-31 (N.J. Super. App. Div. 1999); Groff v. Am. Online, Inc., No. PC#97-0331, 1998 WL 307001, at *5-6 (R.I. Super. Ct. May 27, 1998); *cf.* Specht v. Netscape Communications Corp., 150 F. Supp. 2d 585, 594-95 (S.D.N.Y. 2001) (holding that web site "invitation" to view the license agreement, without requirement that user view it or click on agreement, does not constitute a valid clickwrap contract).

There is some dispute about whether "clickwrap" agreements *should* be enforceable, but those disputes do not center on the issue of "writing." The same disputes arise when courts consider the question of "shrinkwrap" agreements, which hold the consumer to a contract if he opens the plastic wrap around a software product. *Compare* ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1450-55 (7th Cir. 1996) (shrinkwrap contract valid), *with* Klocek v. Gateway, Inc., 104 F. Supp. 2d 1332, 1339 (D. Kan. 2000) (shrinkwrap contract not valid). *See* Wendy J. Gordon, *Intellectual Property as Price Discrimination: Implications for Contract*, 73 CHI.-KENT L. REV. 1367, 1378-86

Several commentators have thus concluded that neither a writing requirement nor a signature requirement is likely to stand in the way of electronic contracts.[190] Businesses apparently agreed: the first paperless electronic real estate closing (banking and mortgages were previously one of the most paper-bound industries) took place before any federal legislation on electronic signatures was in effect.[191]

Despite this record of judicial accommodation of new technology, several state legislatures, tbe National Conference of Commissioners on Uniform State Laws ("NCCUSL"), and, eventually, Congress, decided that positive legislation was necessary to ensure that various writing requirements did not stand in the way of e-commerce. The result is the federal Electronic Signatures in Global and National Commerce Act ("E-SIGN").

According to one senator, E-SIGN "took three Senate committees 8 months and thousands of hours."[192] Unfortunately, E-SIGN has little to show for all that work. The statute has two primary provisions.[193] First, no signature or contract may be denied legal effect solely because it is in electronic form.[194] Second, any state statute regulating electronic contracts and signatures is preempted unless it mirrors the Uniform Electronic Transactions Act (UETA) recommended by NCCUSL[195] or unless it specifies alternative, E-SIGN consistent, technology-neutral procedures for the use

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(1998) (criticizing *ProCD, Inc.*); Niva Elkin-Koren, *Copyright Policy and the Limits of Freedom of Contract*, 12 BERKELEY TECH. L.J. 93, 100-01 (1997) (criticizing *ProCD, Inc.*); Mark A. Lemley, *Intellectual Property and Shrinkwrap Licenses*, 68 S. CAL. L. REV. 1239, 1255 (1995) (discussing possibility that shrinkwrap agreements might violate public policy); Charles R. McManis, *The Privatization (or "Shrink-Wrapping") of American Copyright Law*, 87 CAL. L. REV. 173, 176 (1999) (criticizing shrinkwrap contracts); J.H. Reichman & Jonathan A. Franklin, *Privately Legislated Intellectual Property Rights: Reconciling Freedom of Contract with Public Good Uses of Information*, 147 U. PA. L. REV. 875, 906 (1999) (discussing shrinkwrap contracts).

190. *See* WRIGHT & WINN, *supra* note 188, §§ 14-21 to 14-22; Larry M. Zanger, *Electronic Contracts: Some of the Basics, available at* http://www.mbc.com/db30/cgi-bin/pubs/LMZ-Electronic_Contracts.pdf (last visited July 18, 2001).

191. *See* Carrie A. O'Brien, Note, *E-SIGN: Will the New Law Increase Internet Security Allowing Online Mortgage Lending to Become Routine?*, 5 N.C. BANKING INST. 523, 530 (2001).

192. 146 CONG. REC. S5216 (daily ed. June 15, 2000) (statement of Sen. Wyden).

193. The statute also contains various consumer protection provisions, which presumably could have been enacted as a stand-alone statute if needed. I do not discuss those provisions except to note how they complicate the preemption question.

194. 15 U.S.C. § 7001(a) (2000).

195. 15 U.S.C. § 7002(a)(1) (2000).

of electronic records or signatures.[196] For its part, UETA is similar—although not identical—in primary substantive effect.[197]

Like the ACPA, E-SIGN was popular, especially with certain high-tech and financial industries. Also like the ACPA, however, E-SIGN seems both unnecessary and unnecessarily complicated. It is unnecessary because, as described above, courts were well on their way to reaching the same substantive results under the common law. Moreover, by the time E-SIGN was enacted, some version of UETA had been enacted in eighteen states and was under consideration in eleven more.[198] Several more states had enacted laws that regulated electronic signatures but that were not modeled on UETA.[199] Thus, even more so than with cyber-piracy, Congress was acting in an area already adequately dealt with by other institutions.

It is certainly true, as advocates of E-SIGN argued, that not all state statutes—nor all judicial decisions—governing electronic signatures and contracts were identical. But e-commerce is no different from other interstate commerce insofar as it faces a welter of inconsistent and possibly conflicting regulations. Such is the price of our federal system; as Justice Brandeis recognized long ago, it has the compensating advantage of allowing state law experiments that can be copied by other states if successful.[200] Indeed, in that sense the state statutes—whether or not modeled on UETA—offer an advantage over E-SIGN: like judicial decisions, individual state laws are more limited in geographic scope and more likely to be revised if necessary than are federal statutes.

Perhaps, given time, the courts and the state legislatures would have settled on a single successful formula for dealing with electronic signatures. If not, a federal statute enacted at that later date would have had several advantages over the hastily enacted E-SIGN. Congress would have had before it a history of state legislative and judicial responses to the problems of electronic signatures; this history might have helped to eliminate unsuccessful ap-

196. § 7002(a)(2).

197. For a review of differences between E-SIGN and UETA, see Robert A. Wittie & Jane K. Winn, *Electronic Records and Signatures Under the Federal E-SIGN Legislation and the UETA*, 56 BUS. LAW. 293, 293-336 (2000).

198. *See id.* at 296.

199. *See, e.g.*, N.Y. STATE TECH. LAW. §§ 101-109 (McKinney 2000); UTAH CODE ANN. §§ 46-3-201 to 46-3-504 (1998).

200. *See* New State Ice Co. v. Liebman, 285 U.S. 262, 311 (1932) (Brandeis, J., dissenting) ("It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.").

proaches and to identify potential problems. Waiting would also have allowed e-commerce to develop, both giving free rein to nonlegislative solutions and clearly identifying whatever problems remained.

The failure to await developments would not be a serious problem if E-SIGN itself did not create new legal problems. A statute that provides little benefit may be acceptable (although think of those three committees slaving away for eight months for so little gain!) if the cost is low. But E-SIGN, like the ACPA, seems to create more problems than it solves. Although there have been no cases to date, commentators have been quick to point out that the language of E-SIGN is far from clear.

The preemption provisions are particularly problematic. As noted earlier, E-SIGN allows state regulation of electronic records and signatures if a state adopts UETA or if a state adopts a law that is both technology-neutral and consistent with E-SIGN. As several commentators have pointed out, however, UETA is not entirely consistent with E-SIGN.[201] Presumably, adoption of a "clean" version of UETA would nevertheless survive preemption analysis, although thereby reducing the national uniformity that was one goal of E-SIGN. But what if a state adopts a modified version of UETA? Would only the parts that are both different from UETA and inconsistent with E-SIGN be preempted, or would the adoption of such a modified UETA make all sections fair game for preemption on the grounds of inconsistency with E-SIGN?[202]

Other questions have also been raised. One of the largest differences between E-SIGN and UETA is in the consumer protection provisions, and there are conflicting suggestions in the legislative history of E-SIGN about whether a state adoption of UETA would displace *those* E-SIGN provisions.[203] The requirement of technological neutrality leaves open questions about what to do when the authenticity of an electronic signature is called into question.[204] The

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201. *See, e.g.*, Shea C. Meehan & D. Benjamin Beard, *What Hath Congress Wrought: E-SIGN, the UETA, and the Question of Preemption*, 37 IDAHO L. REV. 389 (2001); Wittie & Winn, *supra* note 198; Adam R. Smart, Note, *E-SIGN Versus State Electronic Signature Laws: The Electronic Statutory Background*, 5 N.C. BANKING INST. 485 (2001).

202. Several commentators raise this question and suggest how different state statutes might be analyzed depending on the answer. *See generally* Meehan & Beard, *supra* note 201; Smart, *supra* note 201; Wittie & Winn, *supra* note 197.

203. *See* Wittie & Winn, *supra* note 197, at 328-29.

204. *See* Drew Wintringham, *Federal E-SIGN Law Leaves Open Issues*, N.Y. L.J., Jan. 16, 2001, at 57; *see also* O'Brien, *supra* note 191, at 539-46 (arguing that the real problem with online banking is not signatures but security and fraud prevention). *But see* Jane K. Winn, *The Emperor's New Clothes: The Shocking Truth About Digital Signatures and Internet Commerce*,

federal Office of Thrift Supervision suggested that E-SIGN "has left some legal issues unresolved and, indeed, may have created new ones, particularly for online banking."[205] Another commentator has said that "E-SIGN raises as many questions as it answers" in the health care context.[206]

All in all, E-SIGN, like the ACPA, may do more harm than good. As one commentator puts it, "At this point it is impossible to know whether E-Sign [sic] or the UETA will govern any discrete portion of any given transaction."[207] That is a far cry from the certainty and uniformity that E-SIGN was supposed to deliver in order to promote e-commerce, but it is typical of a statute enacted without adequate attention to the existing landscape. E-SIGN is probably more benign than the ACPA, but it offers a further example of the phenomenon of Congress intervening in circumstances that should make us wary of the consequences.

If E-SIGN and the ACPA represent congressional failures, the arcane doctrine of personal jurisdiction illustrates the successes that can be accomplished when judges are left to develop the law through the common law method. The next section tells that story.

III. A COMMON LAW SUCCESS STORY: PERSONAL JURISDICTION AND THE INTERNET

It is hornbook law that a court cannot exercise jurisdiction over an unconsenting defendant unless the defendant has sufficient "minimum contacts" with the forum to make the exercise of jurisdiction consistent with "traditional notions of fair play and substantial justice."[208] Unfortunately, the hornbook—and the clarity of the law—stops there. Courts continue to struggle, even in non-Internet cases, with questions about what activity constitutes minimum contacts and what circumstances make the exercise of jurisdiction fair and just.

The difficulty of determining whether minimum contacts exist is exacerbated when the primary contact with the forum is a web site that is accessible to anyone, including residents of the forum

37 IDAHO L. REV. 353 (2001) (arguing that specifying technology would not be effective); Jane K. Winn, *Open Systems, Free Markets, and Regulation of Internet Commerce*, 72 TUL. L. REV. 1177 (1998) (same).

205. 69 U.S.L.W. 2791 (June 26, 2001).

206. 69 U.S.L.W. 2186 (Oct. 3, 2000) (statement of Alan S. Goldberg).

207. Meehan & Beard, *supra* note 201, at 413.

208. Int'l Shoe Co. v. Washington, 326 U.S. 310, 316 (1945). This is the test for specific jurisdiction. I discuss general jurisdiction *infra* note 213 and text accompanying notes 232-36.

state.[209] Doctrines designed for cases involving physical objects sent into the state or even telephone calls into (or out of) the state are difficult to translate into an Internet context.[210]

Supreme Court precedent, muddy as it is, directs courts to examine whether the defendant has intentionally directed its activities toward the forum state or purposefully availed itself of the benefits of doing business in the forum state.[211] In one sense, the operator of a web site is not directing its activities anywhere except toward the state in which the operator and the server are located—any transmission of information occurs only because a web surfer in another state "reaches out" for the information. Such a narrow reading of minimum contacts, however, would allow web-based companies to conduct business in every state but be amenable to jurisdiction only at home. On the other hand, one can argue that because a web site owner knows that its site is accessible to residents of the forum state (as well as of every other state), it has

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209. Courts have also faced the question of whether ordinary business dealings—contract negotiations and the like—transacted by e-mail instead of (or in addition to) by mail or telephone constitute minimum contacts. Because the Supreme Court held as early as 1985 that a defendant might transact business in the state through "mail and wire communications" without any physical presence, *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 476 (1985), the addition of e-mail has not presented any serious problems for courts. *See, e.g.*, Cody v. Ward, 954 F. Supp. 43, 45-46 (D. Conn. 1997); Resuscitation Techs., Inc. v. Cont'l Health Care Group, No. IP96-1457-C-M/S, 1997 WL 148567, at *4-5 (S.D. Ind. Mar. 24, 1997); EDIAS Software Int'l v. BASIS Int'l Ltd., 947 F. Supp. 413 (D. Ariz. 1996); Boudreau v. Scitex Corp., Civ. A. No. 91-13059-4, 1992 WL 159667, at *3 (D. Mass. June 25, 1992); *cf.* Intercon, Inc. v. Bell Atl. Internet Solutions, Inc., 205 F.3d 1244, 1248 (10th Cir. 2000) (holding that provider of dial-up Internet services, which knowingly and wrongfully routed customers through Internet access provider in forum state, was subject to jurisdiction, and that although initial, inadvertent routing might have been "fortuitous," continued routing after learning that its mistake was causing problems for plaintiff in forum state was intentional).

210. This has led a number of commentators to suggest that existing doctrines should not be applied to the Internet context. *See, e.g.*, Mark S. Kende, *Lost in Cyberspace: The Judiciary's Distracted Application of Free Speech and Personal Jurisdiction Doctrines to the Internet*, 77 OR. L. REV. 1125 (1998); Martin H. Redish, *Of New Wine and Old Bottles: Personal Jurisdiction, the Internet, and the Nature of Constitutional Evolution*, 38 JURIMETRICS 575 (1998); Richard A. Rochlin, *Cyberspace,* International Shoe, *and the Changing Context for Personal Jurisdiction*, 32 CONN. L. REV. 653 (2000); David Wille, *Personal Jurisdiction and the Internet: Proposed Limits on State Jurisdiction over Data Communications in Tort Cases*, 87 KY. L.J. 95, 112 (1999).

I argue in this section that courts have in fact been successfully applying traditional personal jurisdiction doctrines to cyberspace. I am not the first to suggest that traditional doctrines of jurisdiction can be applied in Internet contexts. *See* Karin Mika & Aaron J. Reber, *Internet Jurisdictional Issues: Fundamental Fairness in a Virtual World*, 30 CREIGHTON L. REV. 1169 (1997); Stein, *supra* note 97. Since Stein wrote in 1998, the courts have validated his prediction that cyberspace presents new but "not uniquely problematic" questions. Stein, *supra* note 97, at 1191.

211. *See* Asahi Metal Indus. Co. v. Superior Court, 480 U.S. 102, 108 (1987); *Burger King Corp.*, 471 U.S. at 473-75; World-Wide Volkswagen Corp. v. Woodson, 444 U.S. 286, 297 (1980).

intentionally directed its activities toward the forum state. But without more, this broad reading of the minimum contacts test means that any web site owner can be sued anywhere in the United States.[212]

A few early cases fueled a fear that application of the *International Shoe* test to the Internet would take the broad approach and eviscerate all due process limits on personal jurisdiction.[213] Three 1996 cases from different district courts found personal jurisdiction on the ground that defendants had established web sites accessible to residents of the forum states.[214] As a later court (rejecting the analysis) described it:

> The courts in these three cases . . . chose to exercise personal jurisdiction for similar reasons, which can be summarized as follows: through their web sites, defendants consciously decided to transmit advertising information to all Internet users, including those in the forum state, thereby (allegedly) committing trademark in-

212. As one court put it:

> On the one hand, it . . . troubles me to force corporations that do business over the Internet, precisely because it *is* cost-effective, to now factor in the potential costs of defending against litigation in each and every state . . . . On the other hand, it is also troublesome to allow those who conduct business on the Web to insulate themselves against jurisdiction in every state, except in the state (if any) where they are physically located.

Digital Equip. Corp. v. AltaVista Tech., Inc., 960 F. Supp. 456, 471 (D. Mass. 1997).

213. The "minimum contacts" and "substantial justice" test of *International Shoe* applies only to cases involving specific jurisdiction, in which the cause of action arises out of the contacts with the forum state. If the cause of action does not arise out of the contacts with the forum state, general jurisdiction is required, and can only be exercised if the defendant has had "systematic and continuous" contacts with the forum state. *See* Helicopteros Nacionales de Colom. v. Hall, 466 U.S. 408, 421 (1984). No court has held that merely maintaining a web site accessible in the forum state is sufficient for general jurisdiction, and several have explicitly held that it is not. *See, e.g.*, Mink v. AAAA Dev., 190 F.3d 333, 336 (5th Cir. 1999); American Eyewear, Inc. v. Peeper's Sunglasses & Accessories, Inc., 106 F. Supp. 2d 895, 899 (N.D. Tex. 2000); Molnlycke Health Care v. Dumex Med. Surgical Prods. Ltd., 64 F. Supp. 2d 448, 451 (E.D. Pa. 1999); Harbuck v. ARAMCO, Inc., No. CIV. A. 99-1971, 1999 WL 999431, at *6 (E.D. Pa. Oct. 21, 1999). I therefore discuss only the question of specific jurisdiction, except with regard to interactive web sites allowing online ordering, discussed *infra* at text accompanying notes 232-36.

214. Heroes, Inc. v. Heroes Found., 958 F. Supp. 1, 5 (D.D.C. 1996); Maritz, Inc. v. Cybergold, Inc., 947 F. Supp. 1328, 1334 (E.D. Mo. 1996); Inset Sys., Inc. v. Instruction Set, Inc., 937 F. Supp. 161, 164 (D. Conn. 1996); *see also* Hasbro, Inc. v. Clue Computing, Inc., 994 F. Supp. 34 (D. Mass. 1997) (language suggesting web site with e-mail capabilities sufficient for jurisdiction, but also relying on additional contacts with state); Quality Solutions, Inc. v. Zupanc, 993 F. Supp. 621, 623 (N.D. Ohio 1997) (finding jurisdiction on the basis of a passive web site and advertising in a national magazine); Telco Communications v. An Apple A Day, 977 F. Supp. 404 (E.D. Va. 1997) (relying on Virginia long-arm statute to hold that operation of passive web site constitutes regular solicitation of business, and noting in dicta that exercising jurisdiction would not violate due process). Although the court in *Heroes* indicated that it was inclined to allow jurisdiction on the basis of the web site, it did not ultimately rely on that fact alone, as the defendant had also placed an advertisement in the local newspaper. 958 F. Supp. at 5.

fringement in the forum state and purposefully availing themselves of the privilege of doing business with the forum state.[215]

Two state-initiated cases that same year also contributed to speculation that the Internet would massively expand courts' jurisdiction. In *United States v. Thomas*,[216] the Sixth Circuit affirmed the conviction of two California defendants for maintaining a web site that violated the local community standards for obscenity in Memphis, Tennessee; the web site had been accessed by a government agent in Memphis. In *State v. Granite Gate Resorts, Inc.*,[217] in which the Minnesota Attorney General sought to enjoin an out-of-state online gambling web site accessible to Minnesota citizens, a state court also found personal jurisdiction.

But within a year, courts had begun drawing distinctions that avoided both an overly broad and an overly narrow reading of *International Shoe* in the cyberspace context. The first—and still most influential—case to do so was *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.*[218] In *Zippo*, the court suggested that whether a web site accessible in the forum state conferred jurisdiction depended on "the nature and quality of commercial activity that an

215. Hearst Corp. v. Goldberger, No. 96 CIV. 3620, 1997 WL 97097, at *20 (S.D.N.Y. Feb. 26, 1997).

216. 74 F.3d 701 (6th Cir. 1996). For critiques of this case, see William S. Byassee, *Jurisdiction of Cyberspace: Applying Real World Precedent to the Virtual Community*, 30 WAKE FOREST L. REV. 197, 203-16 (1995); Erik G. Swenson, Comment, *Redefining Community Standards in Light of the Geographic Limitlessness of the Internet: A Critique of* United States v. Thomas, 82 MINN. L. REV. 855, 870-81 (1998); *see also* JONATHAN WALLACE & MARK MANGAN, SEX, LAWS, AND CYBERSPACE 1-40 (1996) (general discussion of the case).

217. No. C6-95-727, 1996 WL 767431 (Minn. Dist. Ct. Dec. 11, 1996), *aff'd*, 568 N.W.2d 715 (Minn. Ct. App. 1997), *aff'd by an equally divided court*, 576 N.W.2d 747 (Minn. 1998). For a critique of this case on traditional jurisdictional principles, see Stein, *supra* note 97, at 1188-89.

218. 952 F. Supp. 1119 (W.D. Pa. 1997) ("*Zippo*"). Courts that have explicitly followed *Zippo* include *Mink*, 190 F.3d at 333; Cybersell, Inc. v. Cybersell, Inc., 130 F.3d 414 (9th Cir. 1997); Multi-Tec Systems, Inc. v. Vocaltec Communications, Inc., 122 F. Supp. 2d 1046 (D. Minn. 2000); Neogen Corp. v. Neo Gen Screening, Inc., 109 F. Supp. 2d 724 (W.D. Mich. 2000); McRae's, Inc. v. Hussain, 105 F. Supp. 2d 594 (S.D. Miss. 2000); Citigroup Inc. v. City Holding Co., 97 F. Supp. 2d 549 (S.D.N.Y. 2000); Uncle Sam's Safari Outfitters, Inc. v. Uncle Sam's Army Navy Outfitters-Manhattan, Inc., 96 F. Supp. 2d 919 (E.D. Mo. 2000); Euromarket Designs, Inc. v. Crate & Barrel Ltd., 96 F. Supp. 2d 824 (N.D. Ill. 2000); Roche v. Worldwide Media, Inc., 90 F. Supp. 2d 714 (E.D. Va. 2000); Neato Inc. v. Great Gizmos, No. 3:99CV958, 2000 WL 305949 (D. Conn. Feb. 24, 2000); Harbuck v. ARAMCO, Inc., No. CIV. A. 99-1971, 1999 WL 999431 (E.D. Pa. Oct. 21, 1999); ESAB Group, Inc. v. Centricut, LLC, 34 F. Supp. 2d 323 (D.S.C. 1999); Atlantech Distrib., Inc. v. Credit Gen. Ins. Co., 30 F. Supp. 2d 534 (D. Md. 1998); Patriot Sys., Inc. v. C-Cubed Corp., 21 F. Supp. 2d 1318 (D. Utah 1998); SF Hotel Co. v. Energy Invs., Inc., 985 F. Supp. 1032 (D. Kan. 1997); Weber v. Jolly Hotels, 977 F. Supp. 327 (D.N.J. 1997); *see also* Remick v. Manfredy, 238 F.3d 248, 259 n.3 (3d Cir. 2001) (approving district court's adoption of *Zippo*). As discussed in text, other courts have adopted a similar approach without following *Zippo* in particular.

entity conducts over the Internet."[219] The court went on to identify three categories of web sites:

> At one end of the spectrum are situations where a defendant clearly does business over the Internet. If the defendant enters into contracts with residents of a foreign jurisdiction that involve the knowing and repeated transmission of computer files over the Internet, personal jurisdiction is proper. At the opposite end are situations where a defendant has simply posted information on an Internet Web site wbich is accessible to users in foreign jurisdictions. A passive Web site that does little more than make information available to those who are interested in it is not grounds for the exercise of personal jurisdiction. The middle ground is occupied by interactive Web sites where a user can exchange information with the host computer. In these cases, the exercise of jurisdiction is determined by examining the level of interactivity and commercial nature of the exchange of information that occurs on the Web site.[220]

Since *Zippo*, courts have uniformly agreed that merely maintaining a passive web site is not sufficient to confer jurisdiction.[221] To do otherwise, as many courts have recognized, would be to make the establishment of a web site tantamount to consenting to jurisdiction in every state.[222] Moreover, as one commentator pointed out as early as 1998, finding jurisdiction on the basis of a purely pas-

219. 952 F. Supp. at 1124.

220. *Id.* (citations omitted).

221. *See, e.g.*, Soma Med. Int'l v. Standard Chartered Bank, 196 F.3d 1292, 1297 (10th Cir. 1999); *Mink*, 190 F.3d at 336; *Cybersell, Inc.*, 130 F.3d at 414; Bensusan Rest. Corp. v. King, 126 F.3d 25, 29 (2d Cir. 1997); Heathmount A.E. Corp. v. technodome.com, 106 F. Supp. 2d 860, 865-66 (E.D. Va. 2000); Am. Online, Inc. v. Huang, 106 F. Supp. 2d 848 (E.D. Va. 2000); Sports Auth. Mich., Inc. v. Justballs, Inc., 97 F. Supp. 2d 806 (E.D. Mich. 2000); N. Lights Tech., Inc. v. N. Lights Club, 97 F. Supp. 2d 96, 106 (D. Mass. 2000), *aff'd*, 236 F.3d 57 (1st Cir. 2001); *Euromarket Designs, Inc.*, 96 F. Supp. 2d at 836; Perry v. righton.com, 90 F. Supp. 2d 1138, 1140 (D. Or. 2000); Cello Holdings v. Lawrence-Dahl Cos., 89 F. Supp. 2d 464, 471 (S.D.N.Y. 2000); Bailey v. Turbine Design, Inc., 86 F. Supp. 2d 790, 795-96 (W.D. Tenn. 2000); Ty, Inc. v. Clark, No. 99C5532, 2000 WL 51816, at *4 n.2 (N.D. Ill. Jan. 14, 2000); Harbuck v. ARAMCO, Inc., No. CIV. A. 99-1971, 1999 WL 999431 (E.D. Pa. Oct. 21, 1999); Rothschild Berry Farm v. Serendipity Group, LLC, 84 F. Supp. 2d 904, 910 (S.D. Ohio 1999); S. Morantz, Inc. v. Hang & Shine Ultrasonics, Inc., 79 F. Supp. 2d 537, 540 n.3 (E.D. Pa. 1999) (explicitly rejecting early cases as overly broad); Rannoch, Inc. v. Rannoch Corp., 52 F. Supp. 2d 681, 685-86 (E.D. Va. 1999); Fix My PC, L.L.C., v. N.F.N. Assocs., Inc., 48 F. Supp. 2d 640 (N.D. Tex. 1999); Barrett v. Catacombs Press, 44 F. Supp. 2d 717, 730 (E.D. Pa. 1999); PurCo Fleet Servs., Inc. v. Towers, 38 F. Supp. 2d 1320, 1324 (D. Utah 1999); Millennium Enters. v. Millennium Music, LP, 33 F. Supp. 2d 907, 921 (D. Or. 1999); No Mayo—S.F. v. Memminger, No. 98-C-1392, 1998 WL 544974 (N.D. Cal. Aug. 20, 1998); Bush v. Tidewater Marine Alaska, Inc., No. 1:97CV656, 1998 WL 560048 (E.D. Tex. Apr. 16, 1998); *SF Hotel Co.*, 985 F. Supp. at 1032; McDonough v. Fallon McElligott, Inc., 40 U.S.P.Q.2d (BNA) 1826, 1828 (S.D. Cal. 1996).

222. *See, e.g.*, GTE New Media Servs. Inc. v. BellSouth Corp., 199 F.3d 1343, 1350 (D.C. Cir. 2000); *Cybersell, Inc.*, 130 F.3d at 420; Am. Info. Corp. v. Am. Infometrics, Inc., 139 F. Supp. 2d 696, 700 (D. Md. 2001); Search Force, Inc. v. Dataforce Int'l, 112 F. Supp. 2d 771, 778 n.14 (S.D. Ind. 2000) (also explicitly rejecting early cases as overly broad); *Bailey*, 86 F. Supp. 2d at 796; *Millennium Enters.*, 33 F. Supp. 2d at 923; IDS Life Ins. Co v. SunAm., Inc., 958 F. Supp. 1258, 1268 (N.D. Ill. 1997), *partially rev'd on other grounds*, 136 F.3d 537 (7th Cir. 1998); Hearst Corp. v. Goldberger, No. 96 CIV. 3620, 1997 WL 97097, at *20 (S.D.N.Y. Feb. 26, 1997).

sive web site is inconsistent with current doctrines of personal jurisdiction, which require that the defendant "have consciously chosen to take advantage of a state's privileges and benefits."[223]

The *Zippo* analysis also avoids the opposite extreme, and thus prevents companies from doing a nationwide business on the web and nevertheless escaping jurisdiction in any state. *Zippo* itself involved a company that operated a web-based news service for subscribers. It had contracts with seven Internet access providers in the forum state and 3,000 individuals in the forum state. Each individual subscriber had submitted an application to the defendant containing his or her address, and, knowing that it was selling its service to a forum resident, the defendant had entered into the contract. Despite the fact that the defendant had no other contacts with the forum state, the court held that it had jurisdiction.[224]

Any other ruling would have taken an overly narrow approach to minimum contacts, allowing the differences between reality and virtual reality to provide a loophole from liability. One ingenious defendant, for example, suggested that although it entered into a contract with Virginia plaintiffs (after meeting them face to face in Virginia), and the plaintiffs performed the contracted work while sitting in front of computer screens in Virginia, there was no jurisdiction in Virginia because the work was actually "performed" in cyberspace. The court responded:

> Although the defendants appear to be correct in their contention that much of the activity in this matter occurred in cyberspace, this can not signify that the increasingly large number of those who deal in e-commerce shall not be subject to jurisdiction in any earthly court. There being no District Court of Cyberspace, . . . [d]efendants will have to settle begrudgingly for the Western District of Virginia.[225]

Until there is a District Court of Cyberspace, then, courts faced with the two ends of the *Zippo* spectrum seem to have successfully adapted the jurisdiction doctrines of real space into the world of cyberspace.

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223. Redish, *supra* note 210, at 589.

224. *Zippo*, 952 F. Supp. at 1125-26; *see also* Alitalia-Linee Aeree Italiane S.p.A. v. casinoalitalia.com, 128 F. Supp. 2d 340 (E.D. Va. 2001) (online casino gambling business); Colt Studio, Inc. v. Badpuppy Enter., 75 F. Supp. 2d 1104 (C.D. Cal. 1999) (subscription business for viewing online pornography); Thompson v. Handa-Lopez, Inc., 998 F. Supp. 738 (W.D. Tex. 1998) (online casino gambling business).

225. Designs88 Ltd. v. Power Uptik Prods., 133 F. Supp. 2d 873, 877 (W.D. Va. 2001) (citations omitted). One very early commentator actually suggested establishing a United States District Court for the District of Cyberspace, patterned on the United States Court for China. Henry H. Perritt, Jr., *Jurisdiction in Cyberspace*, 41 VILL. L. REV. 1, 100 (1996).

The hard cases, of course, lie in the middle of the spectrum. Even here, however, courts have reached results that are, by and large, both arguably correct and increasingly predictable.[226] Indeed, given the confusion that reigns in this area in non-Internet cases, the Internet cases are remarkably orderly. These intermediate cases can be divided into three categories and generally reach consistent results within each category.

1. Minimally interactive web sites. In some cases, the web site is interactive only to the extent that it allows the user to send e-mail—or other simple replies—back to the web site owner. Customers cannot place orders or otherwise do business over the web. Courts have uniformly found that such minimally interactive sites cannot, by themselves, provide sufficient contacts for the exercise of jurisdiction.[227]

Although language in some cases might suggest that minimally interactive sites can create jurisdiction, an examination of the cases themselves indicates that the web sites at issue were in fact more than minimally interactive. For example, in *Thompson v. Handa-Lopez, Inc.*, the court focused on the fact that Texas residents could access the site, and it cited one of the three early personal jurisdiction cases that allowed jurisdiction on the basis of a

226. Several commentators have suggested that the line-drawing problems generated by intermediately interactive web sites make the *Zippo* approach unworkable. *See, e.g.*, Susan Nauss Exon, *A New* Shoe *Is Needed to Walk Through Cyberspace Jurisdiction*, 11 ALB. L.J. SCI. & TECH 1 (2000); Michael Geist, *Is There a There There? Toward Greater Certainty for Internet Jurisdiction*, 16 BERKELEY TECH. L.J. (forthcoming 2001). I argue in text that courts have already begun to use the common law process to modify *Zippo* as necessary; whether this is a continuation of *Zippo* or a "new" doctrine is beside the point.

227. *See, e.g*, Mink v. AAAA Dev., 190 F.3d 333, 337 (5th Cir. 1999) (e-mail link); ALS Scan, Inc. v. Wilkins, 142 F. Supp. 2d 703, 709 (D. Md. 2001) (applicant can use web site to "obtain information about job opportunities"); Am. Info. Corp v. Am. Infometrics, Inc., 139 F. Supp. 2d 696, 702 (D. Md. 2001) (e-mail link including ability to submit resume for employment); S. Morantz, Inc. v. Hang & Shine Ultrasonics, Inc., 79 F. Supp. 2d 537, 541 (E.D. Pa. 1999) (e-mail link, ability to print but not submit lease application, online order form for promotional video); Blackburn v. Walker Oriental Rug Galleries, Inc., 999 F. Supp. 636, 639 (E.D. Pa. 1998) (e-mail link); Agar Corp. v. Multi-Fluid, Inc., 45 U.S.P.Q.2d (BNA) 1444 (S.D. Tex. 1997) (web site buttons allow "feedback" and "registration"); *see also* Winfield Collection Ltd. v. McCauley, 105 F. Supp. 2d 746, 749 (E.D. Mich. 2000) (holding that sales to forum state through online auction house e-Bay insufficient to create jurisdiction because seller has no control about where highest bidder will come from); Barrett v. Catacombs Press, 44 F. Supp. 2d 717, 728 (E.D. Pa. 1999) (holding that posting to USENET group equivalent to passive web site because poster has no control about where message will go); Mallinckrodt Med., Inc. v. Sonus Pharms., Inc., 989 F. Supp. 265, 273 (D.D.C. 1998) (holding that posting to USENET group equivalent to passive web site); Rollin v. Frankel, 996 P.2d 1254 (Ariz. Ct. App. 2000) (holding that posting of stock prices on NASDAQ computer network, available to NASDAQ members anywhere, not sufficient contacts for jurisdiction).

purely passive web site.[228] But the web site involved in *Handa-Lopez* was an online casino; customers had to purchase online gaming chips with a credit card before playing, and the web site "continuously interacted with the casino players, entering into contracts with them as they played the various games."[229] I have found no cases—after the 1996 trio—in which a court exercised personal jurisdiction solely on the basis that the defendant maintained a minimally interactive web site.

Perhaps the most difficult case to date is *GTE New Media Services Inc. v. BellSouth Corp.*[230] In that case, the plaintiff alleged that the defendants had conspired to monopolize the online business directory service by breaking the nation into regions to be served exclusively by each defendant and inducing Internet browser sites (such as Yahoo and Netscape) to link only to the authorized member of the conspiracy. Plaintiff alleged that the purpose of the conspiracy was to divert advertising business from plaintiff's web site to defendants'. Defendants' only contact with the forum (the District of Columbia) was that its web site could be accessed by forum residents. Although the site was interactive, the customer paid nothing to use defendants' search tools and entered into no transactions with defendants. The district court found jurisdiction on the basis of presumed effects in the forum, but the D.C. Circuit reversed.

As a formal matter, the site was highly interactive, transmitting information back and forth between a defendant's server and the consumer's computer. The court of appeals, however, appropriately refused to rely on such a wooden interpretation of the passive/interactive distinction. Since there was no commercial transaction occurring between the consumer and the defendants, the court held that the company was not transacting business in the forum.[231] While this is a close case—the defendants were bene-

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228. 998 F. Supp. at 743.

229. *Id.* at 741 (gaming chip purchase), 744 (quotation); *see also* Hasbro, Inc. v. Clue Computing, Inc., 994 F. Supp. 34, 45 (D. Mass 1997) (suggesting that jurisdiction appropriate because defendant advertised on its web site and "did nothing to avoid" the forum state, but actually relying on additional, non-Internet contacts with the forum state, and finding that company also advertised itself as a "virtual company," willing to do business anywhere).

230. 199 F.3d 1343 (D.C. Cir. 2000).

231. The court also necessarily rejected a broad view of the "effects test" and failed to accord a strong presumption of truth to plaintiffs' allegations in a jurisdictional dispute. It is certainly possible to conclude, contrary to the court's ruling, that plaintiffs' allegations of a conspiracy intended to cause harm to plaintiff should have satisfied due process concerns under *Calder v. Jones*, 465 U.S. 783 (1984). *See supra* discussion at text accompanying notes 97-98. Whether the court should have found jurisdiction using the "effects test," however, has nothing to do with the

fitting commercially from a web site accessible to, and evidently accessed by, forum residents—it is not clearly wrong (and may well be right). Moreover, if the case is ultimately found unpersuasive, it is unlikely to be followed by other circuits. *GTE New Media Services* thus illustrates one of the strengths of the common law method: the most important aspect of the case is the court's sensitivity to factual context in its refusal to apply the passive/interactive distinction in a formalistic manner.

2. Web sites that allow online ordering. In these cases, customers can place an order online (paying for it by providing a credit card number); the order is filled by the web site owner without any further communication. Many companies now have online ordering, including both e-businesses like amazon.com and traditional bricks-and-mortar companies that also do a significant amount of off-line sales. The few cases involving true e-businesses have all found them to fall in *Zippo*'s first category, easily holding that jurisdiction exists.[232] But where a bricks-and-mortar company also allows online ordering, the issue is more difficult. Online ordering capability is similar to a passive web site insofar as the site owner has no control over who has access to the site, but it differs from a passive web site to the extent that a transaction can be consummated online.

Courts have recognized both the similarities and the differences between passive web sites and sites allowing online ordering. Whether a court will find jurisdiction over a web site owner on the basis of an interactive site that allows online ordering depends on two factors: (1) is specific or general jurisdiction sought; and (2) were there any sales in the forum state?

Specific jurisdiction, which requires only minimum contacts and fairness, is appropriate only where the cause of action arises out of the contacts. For a court to exercise general jurisdiction, on the other hand, the cause of action may be unrelated to the contacts, but the contacts themselves need to be "systematic and con-

unique problems of cyberspace: the reach of the "effects test" is uncertain in real space as well as cyberspace. *See infra* note 242. Moreover, the D.C. Circuit remanded for further discovery on the question of whether there were "substantial effects" in the forum. *GTE New Media Servs., Inc.*, 199 F.3d at 1351-52.

232. *See* cases cited *supra* note 224. The one exception might be *E-Data Corp. v. Micropatent Corp.*, 989 F. Supp. 173 (D. Conn. 1997). In that case (which did not cite *Zippo* at all), defendants operated an Internet business which sold photographic images on the web. Consumers visiting E-Data's web site entered credit card information and could then download the images they were viewing. The court held it had no jurisdiction over the defendant in a patent infringement suit because there was no evidence that any forum residents had visited the site or downloaded any photographs. The case may be distinguishable because the court relied only on the Connecticut long-arm statute, not the Due Process Clause. If not, it is an early aberration.

tinuous" rather than simply minimal.[233] Thus, a company that ships products into a state—but otherwise has no contacts—is likely to be amenable to personal jurisdiction in that state for suits arising out of the products (specific jurisdiction), but not for suits arising out of, for example, employment contracts or other matters (general jurisdiction).

While courts have applied the *Zippo* analysis to both specific and general jurisdiction, they have been much more reluctant to base general jurisdiction on Internet activity, even in cases involving interactive web sites. Courts have generally found that bricks-and-mortar companies that maintain web sites allowing online ordering do not become subject to the general jurisdiction of a forum state simply on the basis of the web site. For example, in *Dagesse v. Plant Hotel*,[234] the plaintiffs made their hotel reservations online and were injured while staying at the hotel. Because the cause of action did not arise out of the web site, specific jurisdiction was not appropriate. The court found insufficient contacts for general jurisdiction in the absence of any evidence that the web site generated significant sales in the forum state. *Dagesse* is typical: one court commented in 1999 that plaintiff could not cite any cases in which general jurisdiction was premised on a web site alone.[235] Where courts have found general jurisdiction, the defendant has had other, non-Internet contacts with the forum state in addition to the interactive web site.[236]

In most of the cases involving interactive web sites, plaintiffs allege specific rather than general jurisdiction. Courts must then confront the question whether the maintenance of a fully-interactive site (one allowing online ordering), accessible to residents of the forum state, satisfies the minimum contacts test. In

233. *See* Helicopteros Nacionales de Colom. v. Hall, 466 U.S. 408, 416 (1984).

234. 113 F. Supp. 2d 211 (D.N.H. 2000).

235. Molnlycke Health Care v. Dumex Med. Surgical Prods., Ltd., 64 F. Supp. 2d 448, 452 n.3 (E.D. Pa. 1999); *see also* Am. Eyewear, Inc. v. Peeper's Sunglasses & Accessories, Inc., 106 F. Supp. 2d 895 (N.D. Tex. 2000) (finding no general jurisdiction on basis of interactive web site); Tel. Audio Prods., Inc. v. Smith, No. CIV. A. 3:97-CV-0P63-P, 1998 WL 159932 (N.D. Tex. Mar. 26, 1998) (finding no general jurisdiction on basis of web site plus other contacts); Riviera Operating Corp. v. Dawson, 29 S.W.3d 905 (Tex. Ct. App. 2000) (same). *But see* Decker v. Circus Circus Hotel, 49 F. Supp. 2d 743 (D.N.J. 1999) (finding that general jurisdiction would exist on basis of online reservations capability, but choice of forum clause on web site precludes jurisdiction).

236. *See, e.g.*, Mieczkowski v. Masco Corp., 997 F. Supp. 782, 785 (E.D. Tex. 1998) (defendant shipped almost $6 million worth of products into forum state); *see also* Coastal Video Communications Corp. v. Staywell Corp., 59 F. Supp. 2d 562, 572 (E.D. Va. 1999) (refusing to find general jurisdiction on the basis of online ordering web site only, and directing more discovery to determine non-Internet contacts).

fact, courts have easily sorted these cases by asking whether the interactive web site generated any business in the forum state. If it did not, courts hold that jurisdiction is lacking because—like the operators of purely passive web sites—the web site owners have not taken any " 'deliberate action' within the forum state in the form of transactions between the defendants and residents of the forum."[237] A fully interactive web site that generates sales in the forum state, however, is enough to satisfy the minimum contacts test, because in that case the defendant is actually knowingly doing business with residents of the forum state.[238] An interactive web site that generates sales in the forum state is thus very similar to taking telephone or mail orders and shipping products into the forum state, which traditionally gives rise to specific jurisdiction.[239] Any company that wishes to avoid jurisdiction in a particular forum can simply refuse to fill orders—whether received by telephone or through the Internet—from that jurisdiction.[240]

3. Web site plus other contacts. As they do outside of the cyberspace context, courts often consider multiple contacts with the forum state. Whether an interactive web site plus additional contacts are sufficient for the exercise of personal jurisdiction raises no

237. Millennium Enters., Inc. v. Millennium Music, 33 F. Supp. 2d 907, 921 (D. Or. 1999); *see also* Winfield Collection, Ltd. v. McCauley, 105 F. Supp. 2d 746 (E.D. Mich. 2000); People Solutions, Inc. v. People Solutions, Inc., No. Civ. A. 399-CV-2339-L, 2000 WL 1030619 (N.D. Tex. July 25, 2000); Rothschild Berry Farm v. Serendipity Group, 84 F. Supp. 2d 904, 909 (S.D. Ohio 1999); Origin Instruments Corp. v. Adaptive Computer Sys., Inc., No. CIV. A. 397LV2595-L, 1999 WL 76794 (N.D. Tex. Feb. 3, 1999).

238. *See, e.g., Am. Eyewear, Inc.*, 106 F. Supp. 2d at 901; Standard Knitting, Ltd. v. Outside Design, Inc., No. 00-2288, 2000 WL 804434 (E.D. Pa. June 23, 2000); Stomp, Inc. v. Neato, 61 F. Supp. 2d 1074, 1078 (C.D. Cal. 1999); Park Inns Int'l v. Pacific Plaza Hotels, Inc., 5 F. Supp. 2d 762, 765 (D. Ariz. 1998); Gary Scott Int'l v. Baroudi, 981 F. Supp. 714, 717 (D. Mass. 1997); Digital Equip. Corp. v. AltaVista Tech., Inc., 960 F. Supp. 456 (D. Mass. 1997); *see also* Am. Network, Inc. v. Access America/Connect Atlanta, Inc., 975 F. Supp. 494 (S.D.N.Y. 1997) (finding that passive web site plus New York subscribers sufficient for jurisdiction).

239. *See, e.g.,* Quill Corp. v. North Dakota, 504 U.S. 298 (1992); Travelers Health Ass'n v. Virginia, 339 U.S. 643 (1950); Giotis v. Apollo of the Ozarks, 800 F.2d 660 (7th Cir. 1986); Vencedor Mfg. Co. v. Gougler Indus., Inc., 557 F.2d 886 (1st Cir. 1977); Shealy v. Challenger Mfg. Co., 304 F.2d 102 (4th Cir. 1962); Zorn v. Fingerhut Corp., 1989 WL 143839 (E.D. Pa. Nov. 22, 1989).

240. Currently, for example, states have different regulations regarding the private importation of wine. *Compare* TENN. CODE ANN. § 57-3-402 (Supp. 2001) (private importation prohibited), *with* MINN. STAT. ANN. § 340A.417(a) (West Supp. 2002) (private importation of up to two cases per year permitted). That has not prevented vineyards from establishing interactive web sites that allow online ordering. Some sites post a list of states to which they will ship. *See, e.g.,* http://www.robertmondavi.com/WheretoBuy/index.asp (last visited Feb. 13, 2002). Others wait until the consumer has filled in an order form; if the consumer lists an address in a state that prohibits importation, the site displays a page informing the consumer that the winery is not allowed to ship there. *See, e.g.,* http://www.ravenswood-wine.com/how-to-get.html (last visited Feb. 13, 2002). Technology may make it possible to identify the user's place of residence even more quickly. *See* Geist, *supra* note 226.

new questions. Just as courts are divided on whether advertising in national print and broadcast media constitutes minimum contacts, courts have divided on whether a web site plus national advertising constitutes minimum contacts.[241] Courts also disagree about the reach of the "effects test": the extent to which an intentional tort committed outside the state, with effects foreseeably felt within the forum state, confers jurisdiction without any further "entry" into the state by the defendant.[242] Since such cases might involve either a tort committed via the Internet (as in an infringing domain name) or an "entry" via a web site, the dispute in real space spills over into the cyberspace context.[243] The resolution of the jurisdictional

241. *Compare* IDS Life Ins. Co. v. SunAm., Inc., 958 F. Supp. 1258, 1268-70 (N.D. Ill. 1997) (finding that web site plus national print and broadcast advertising plus toll-free number does not create jurisdiction), *with* Haelan Prods. Inc. v. Beso Biological Research Inc., 43 U.S.P.Q.2d (BNA) 1672, 1675 (E.D. La. 1997) (finding that web site plus national advertising plus toll-free number does create jurisdiction), *and* Quality Solutions, Inc. v. Zupanc, 993 F. Supp. 621, 623 (N.D. Ohio 1997) (same). The same dispute existed with regard to national advertising before the advent of the Internet. *Compare* Wines v. Lake Havasu Boat Mfg., Inc., 846 F.2d 40, 43 (8th Cir. 1988) (finding that national advertising available in forum insufficient), *with* McFaddin v. Nat'l Executive Search, Inc., 354 F. Supp. 1166, 1170-71 (D. Conn. 1973) (national advertising available in forum sufficient), *and* Siskind v. Villa Found. for Educ., 642 S.W.2d 434, 436 (Tex. 1982) (same).

Both *Haelan Products* and *Zupanc*, moreover, were relatively early cases; no cases since then have upheld personal jurisdiction solely on the basis of a passive web site, national advertising, and a toll-free number. The vast majority of courts hold that national advertising—whether in traditional media or on the web—is insufficient by itself to create personal jurisdiction. Robert M. Harkins, Jr., *The Legal World Wide Web: Electronic Personal Jurisdiction in Commercial Litigation, or How to Expose Yourself to Liability Anywhere in the World with the Press of a Button*, 25 PEPP. L. REV. 451, 483-84 n.210 (1997) (listing cases holding that national advertising in traditional media insufficient); *see supra* note 221 (passive web advertising insufficient).

242. For non-Internet cases adopting a broad reading of the *Calder* effects test, see, for example, Panda Brandywine Corp. v. Potomac Elec. Power Co., 253 F.3d 865 (5th Cir. 2001); Janmark, Inc. v. Reidy, 132 F.3d 1200, 1202 (7th Cir. 1997); Gordy v. Daily News, 95 F.3d 829 (9th Cir. 1996); Carteret Sav. Bank v. Shushan, 954 F.2d 141, 148 (3d Cir. 1992); Dakota Indus. Inc. v. Dakota Sportswear, 946 F.2d 1384, 1390-91 (8th Cir. 1991); Hugel v. McNell, 886 F.2d 1, 4 (1st Cir. 1989); Brainerd v. Governors of the Univ. of Alberta, 873 F.2d 1257, 1259-60 (9th Cir. 1989); Burt v. Bd. of Regents, 757 F.2d 242, 244-46 (10th Cir. 1985). For non-Internet cases adopting a narrow reading, see, for example, IMO Indus., Inc. v. Kiekert, 155 F.3d 254 (3d Cir. 1998); Far West Capital, Inc. v. Towne, 46 F.3d 1071 (10th Cir. 1995); Reynolds v. Int'l Amateur Athletic Fed'n, 23 F.3d 1110 (6th Cir. 1994); Hoechst Celanese Corp. v. Nylon Eng'g Resins, Inc., 896 F. Supp. 1190 (M.D. Fla. 1995); Green v. USF & G Corp., 772 F. Supp. 1258 (S.D. Fla. 1991).

One scholar has suggested that the "effects test" is problematic largely because it is inconsistent with the rest of personal jurisdiction doctrine. *See* Redish, *supra* note 210, at 596-98.

243. *See, e.g.*, Bancroft & Masters, Inc. v. Augusta Nat'l, Inc., 223 F.3d 1082, 1087 (9th Cir. 2000) (finding that sending threatening letter to plaintiff in dispute over domain name sufficient for jurisdiction under "effects test"); Bailey v. Turbine Design, Inc., 86 F. Supp. 2d 790, 795-97 (W.D. Tenn. 2000) (finding that allegedly defamatory statements on web site do not satisfy "effects test" because comments had nothing to do with plaintiff's status as a local businessman but rather as a national commentator and salesman); Bochan v. La Fontaine, 68 F. Supp. 2d 692, 702 (E.D. Va. 1999) (holding that defamation by posting to a USENET group sufficient for juris-

questions in these sorts of cases, however, does not depend on any determination that is unique to cyberspace.[244]

By attuning personal jurisdiction analysis to how the web site is being used, then, courts have managed to make sense of the different factual contexts. The *Zippo* framework, supplemented by the categories of interactive web sites, provides a predictable guide to personal jurisdiction in cyberspace. It also avoids both jurisdictional overreaching and jurisdictional timidity. I do not contend that the exact balance reached by the courts is immune from criticism, nor that *Zippo* and its progeny offer a perfect answer any more than *International Shoe* and its progeny offer the perfect analysis of jurisdiction in real space.[245] I do argue, however, that the results are both generally defensible and, equally important, predictable, and that in that sense the courts have successfully adapted traditional doctrines to the new technology.

Early on, it seemed that courts would never reach this point. Surveying the cases on personal jurisdiction and cyberspace in 1998, one commentator declared that "the current hodgepodge of

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diction under the "effects test"); Bunn-O-Matic Corp. v. Bunn Coffee Serv. Inc., 46 U.S.P.Q.2d (BNA) 1375, 1377 (C.D. Ill. 1998) (holding that because requirement of "entry," if it exists at all, is so low, even largely passive web site satisfies it); EDIAS Software Int'l v. BASIS Int'l Ltd., 947 F. Supp. 413, 420 (D. Ariz. 1996) (holding that defamatory statements on web page satisfied "effects test"); Cal. Software, Inc. v. Reliability Research, Inc., 631 F. Supp. 1356, 1361-62 (C.D. Cal. 1986) (holding that defamation by posting to a USENET group was sufficient for jurisdiction under the "effects test"); *see also* cases cited *supra* notes 97-98. *See generally* Exon, *supra* note 226, at 34-42 (examining "effects test" cases).

For a critique of the "effects test," see Geist, *supra* note 226. Geist argues that the "effects test" has replaced the *Zippo* test, suggesting that the problem is unique to cyberspace. But, as noted *supra* note 242, courts have also struggled with "effects test" questions outside of the Internet context.

244. As one court has noted, there is also a dispute about whether the additional, non-Internet contacts must be related to the cause of action or to the web site. *See* Millennium Enters. v. Millennium Music, 33 F. Supp. 2d 907, 918 (D. Or. 1999). The extent to which all of the contacts must be related to the cause of action, however, is a question that arises in both cyberspace and real space cases, and the confusion cannot be attributed to the need to translate existing doctrine into cyberspace. *See generally* Lea Brilmayer, *How Contacts Count: Due Process Limitations on State Court Jurisdiction*, 1980 SUP. CT. REV. 77 (discussing related and unrelated contacts).

245. For a few of the many critiques and suggestions of other tests for personal jurisdiction, in and out of cyberspace, see, for example, Geist, *supra* note 226 (cyberspace); Kevin C. McMunigal, *Desert, Utility, and Minimum Contacts: Toward a Mixed Theory of Personal Jurisdiction*, 108 YALE L.J. 189 (1998) (real space); Wendy Collins Perdue, *Personal Jurisdiction and the Beetle in the Box*, 32 B.C. L. REV. 529 (1991) (real space); Martin H. Redish, *Due Process, Federalism, and Personal Jurisdiction: A Theoretical Evaluation*, 75 NW. U. L. REV. 1112 (1981) (real space); Redish, *supra* note 210 (cyberspace and real space); Katherine C. Sheehan, *Predicting the Future: Personal Jurisdiction for the Twenty-First Century*, 66 U. CIN. L. REV. 385 (1998) (cyberspace and real space); Russell J. Weintraub, *A Map Out of the Personal Jurisdiction Labyrinth*, 28 U.C. DAVIS L. REV. 531 (1995) (real space).

case law is inconsistent, irrational, and irreconcilable."[246] Four years later, however, the courts have made great progress. In most cases, defendants with web sites can predict in advance whether their web sites will subject them to personal jurisdiction in other states. There are relatively clear lines between passive (or nearly passive) web sites, interactive web sites maintained by bricks-and-mortar businesses, and e-businesses. Moreover, courts have mostly adopted the requirement that interactive sites be accompanied by sales to the forum state. One might even argue that the law of personal jurisdiction in cyberspace is more consistent and rational than the law of personal jurisdiction in real space. It is at least in no more disarray than its non-Internet counterpart.[247]

After some early missteps, then, courts used traditional legal tools to solve the new questions raised by virtual reality. As one court noted in 1999, the context was new but the problems were not: "[T]he dilemma this Court faces today is not much different than the dilemma courts faced 50 years ago when the application of a then rigid personal jurisdiction standard was at odds with what was then considered a recent trend in the way companies did business: interstate commerce."[248] Congress did not step in at either point,[249] and the courts quickly adapted existing doctrines to new circumstances.

CONCLUSION

The computer hardware and software with which I write this Article will become obsolete within a year, perhaps less. The technological circumstances discussed in this Article will change even

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246. Howard B. Stravitz, *Personal Jurisdiction in Cyberspace: Something More Is Required on the Electronic Stream of Commerce*, 49 S.C. L. REV. 925, 939 (1998); *see also* Todd D. Leitstein, *A Solution for Personal Jurisdiction on the Internet*, 59 LA. L. REV. 565, 565 (1999) ("Predictable internet jurisdiction is becoming an oxymoron."); Wille, *supra* note 210, at 110 ("Uncertainty reigns.").

247. One court likened personal jurisdiction to Winston Churchill's description of the Soviet Union: "[A] riddle wrapped in a mystery inside an enigma." Donatelli v. NHL, 893 F.2d 459, 462 (1st Cir. 1990). A scholar commented, with wry understatement, that jurisdictional doctrines "have not necessarily produced recognizahly coherent results when applied to real-space activity," and "[a] comprehensive theory of personal jurisdiction has largely eluded commentators." Burk, *Federalism*, *supra* note 20, at 1109.

248. Colt Studio, Inc. v. Badpuppy Enters., 75 F. Supp. 2d 1104, 1108 (C.D. Cal. 1999).

249. Inevitably, commentators suggested that Congress should do so. *See* David Thatch, *Personal Jurisdiction and the World-Wide Web: Bits (and Bytes) of Minimum Contacts*, 23 RUTGERS COMPUTER & TECH. L.J. 143, 163 (1997); Nicholas R. Spampata, Note, *King Pennoyer Dethroned: A Policy-Analysis-Influenced Study of the Limits of* Pennoyer v. Neff *in the Jurisdictional Environment of the Internet*, 85 CORNELL L. REV. 1742, 1773-74 (2000).

more quickly. Given law review publication schedules, then, the Article you have just read is already hopelessly out of date. Its discussion of ACPA, E-SIGN, and personal jurisdiction will become, at best, an historically useful compilation and a starting place—a shortcut into the literature—for future research.

But my hope is that the larger lesson will remain. I have tried to describe circumstances under which Congress is apt to make mistakes, and to identify cyberlaw as a prominent example. The particular topics and statutes this Article explores are only illustrations of the potential mischief that overly hasty legislation can create. If Congress erred in enacting the ACPA and E-SIGN, what about its response to the next cyber-crisis? My thesis here is that we should give the common law process time to address whatever technologically induced crisis is brewing at the time you happen to read this Article. I cannot predict what that crisis will be, but I am confident that one will arise. And I am also confident that an immediate congressional response will most likely be worse than any response provided by the common law process.

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