DOMAIN REGISTRATION OF CELEBRITY NAMES: BOOM OR BUST?

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In late November of 1999, President Clinton signed into law the Anti-Cybersquatting Consumer Protection Act. The law was intended to curtail an entrepreneurial trend among "cybersquatters" who would register commercially viable domain names that belong to other companies for the purpose of cashing in on the purchase of the domain name by the trademark owner. Commercial precedent had, up until passage of the Act, rewarded cybersquatters handsomely with lucrative payments by trademark owners who chose to pay for the domain name rather than enforce their rights by way of expensive and vexatious litigation. See article published in the September 1999 issue of WWWiz Magazine: "Senate Closes In On Domain Name Cybersquatting," by the author. [LINK] The Act roughly reflected the rights afforded trademark owners under the U.S. Trademark Act. Clever cybersquatters, however, found a narrow niche that did not fall squarely within the protection of the Trademark Act by registering the personal names of famous persons and celebrities, once again in an attempt to garner a payoff from the targeted individual.

Current U.S. Trademark Law as It Pertains to Names of Individuals

The Trademark Act protects the exclusive rights of a commercial trademark owner in words or symbols. The Act's "right of privacy" provision, however, prohibits federal registration of any mark which:

Consists of or comprises a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

This section prevents registration of marks identifying any particular living individual, except with the consent of that person. Note that it does not apply to deceased persons. The Act assumes that all living persons are considered to have a proprietary right in the designations that identify them, their names, portraits and signatures. The Trademark Act itself, therefore, does not provide protection by statute for the use of an individual's name as a domain name. The Anti-Cybersquatting Act, however, contains a specific provision addressing the names of individuals.

The New Act's Protection of "Living Individuals" as Well as Trademarks

The Anti-Cybersquatting Act forbids trademark cybersquatting if the offender:

(i) Has a bad faith intent to profit from a mark protected by Section 43 (of the Lanham Act), and (ii) registers, traffics in, or uses a domain name that is:

(A) identical or confusingly similar to a distinctive mark;
(B) identical, confusingly similar, or dilutive of a famous mark; or
(C) is protected under 18 U.S.C. 706 (Red Cross) or 36 U.S.C. 220506 (Olympics and related marks).

The Act goes on to state:

Any person who registers a domain name that consists of the name of another living person, or a name substantially and confusingly similar thereto, without that person's consent, with the specific intent to profit from such name by selling the domain name for financial gain to that person or any third party, shall be liable in a civil action by such person.

At first glance, this provision would seem to be a strong prohibition against the use of a person's individual name as a domain name. This provision of the Anti-Cybersquatting Act is different from the stronger portion of the Act that prohibits the use of trademarks as domain names, however. In order to find liability, a plaintiff would have to prove that the registration of the domain name was made "with the specific intent to profit from such name by selling the domain name." The registrant's own "subjective intent" to profit from the sale of the domain name must be proved. Furthermore, if by coincidence the registrant bears the same individual name as the challenger, serious questions arise as to whether the "subjective intent" to sell pertains to the protected name of the challenger rather than the name of the registrant. In other words, ordinary people who bear the same name as people of notoriety would be permitted to register and re-sell their names as domain names.

The violation of a person's individual name as opposed to a trademark also draws less penalty than an act of cybersquatting on someone's trademark. With respect to an individual's name, the aggrieved individual is entitled to an injunction ordering cancellation or transfer of the domain name, as well as costs and attorneys' fees. In the case of trademark cybersquatting, the plaintiff would be entitled to defendant's profits and up to three times provable damages. One of the first tests of the new Anti-Cybersquatting Act has been lodged by singer John Tesh.

John Tesh Tests the Law

Musician and composer John Tesh filed suit in January of this year in Federal court in Los Angeles alleging that a Nevada corporation violated the Anti-Cybersquatting Act by registering the domain name "JohnTesh.com". John Tesh v. CelebSites, Inc. (C.D. Calif. 00-00603ABC (RZx), filed 1/19/00). Tesh owns and operates his own Website known as "Tesh.com." Defendant CelebSites operates a celebrity and entertainment Website known as "CelebSites.com." A key element of Tesh's claim under the Anti-Cybersquatting Act is that CelebSites intended to sell the domain name "JohnTesh.com" for profit without his consent. Tesh also alleges a likelihood of confusion or deception of the Internet user with regard to CelebSites' affiliation with Tesh himself. If the allegations prove true, it would seem that the Anti-Cybersquatting Act would afford Tesh the protection of at least an injunction, costs, and attorneys' fees.

Conclusion

Although the new Anti-Cybersquatting Act covers most circumstances of abusive registration tactics, questions remain as to the protection of some individual names in special circumstances. For example, the Act protects only the names of "living persons." Privacy rights of deceased persons remain in question. Such rights, if they exist, would depend on the extent to which the estate of a deceased person has taken steps to protect the name under trademark and other commercially-oriented statutes. Likewise, the Act does not address a loophole that arises when an individual who coincidentally bears the same name as a famous person registers his or her own name as a domain name, and then holds the celebrity's name for ransom. This is a particularly effective tactic from a commercial standpoint when the domain name is used to host a Website that "bashes" the celebrity to motivate a buyout. Absent these few apparent exceptions, however, the Act would seem to have come a long way in curtailing the temporary boom in what is fundamentally a parasitic enterprise.