

April 25, 2006

The Honorable F. James Sensenbrenner  
Chairman,  
Committee on the Judiciary  
U.S. House of Representatives  
Room 2138 Rayburn House Office Building  
Washington, D.C. 20515-6216

The Honorable John Conyers, Jr.  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Room 2426 Rayburn House Office Building  
Washington, D.C. 20515-2214

Dear Mr. Chairman and Mr. Ranking Member,

I am writing on behalf of the American Intellectual Property Law Association (AIPLA) to voice our support of H.R. 683, the “Trademark Dilution Improvement Act of 2005.” I would also like to express our concerns regarding an amendment which has been put forth for your consideration. AIPLA strongly opposes changing the word “subsection” in the preamble of subsection 43(c)(3) of H.R. 683 to “section.”

The effect of this amendment would be to extend the exclusions developed in the Trademark Dilution Revision Act beyond dilution claims to *all* claims under Lanham Act Section 43, including trademark infringement, false advertising, and other unfair competition claims under subsection 43(a), and more problematically to cybersquatting claims under subsection 43(d). For the following reasons, this change should not be made.

**1. H.R. 683’s Exclusions Should Not Automatically Defeat Cybersquatting Claims**

In 1999, Congress enacted the Anticybersquatting Consumer Protection Act (“ACPA”) to deal with the rampant problem of profiteers registering the trademarks of companies as domain names and trying to extract money from trademark owners wishing to own the domain names that incorporate their trademarks. The ACPA is codified in subsection 43(d) of the Lanham Act, 15 U.S.C. §1125(d). Importantly, and unlike the infringement and dilution provisions of the Lanham Act,<sup>1</sup> the ACPA does not require any “use” of the domain name at issue to violate the Act. Instead, the ACPA provides a cause of action where a defendant “registers, traffics in, *or* uses” a domain name containing another’s mark with “a bad faith intent to profit from that mark ....” 15 U.S.C. §1125(d)(1)(A) (emphasis added). The Act goes on to provide a carefully crafted list of nine factors for determining whether the defendant had such a bad faith intent, including whether the defendant made any “bona fide noncommercial or fair use of the mark in a site accessible under the domain name.” 15 U.S.C. §1125(d)(1)(B)(i)(IV).

<sup>1</sup> See 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A), and 1125(c)(1).

The ACPA has proven to be a powerful tool to help curb cybersquatting abuse. Extending H.R. 683's exclusions (such as the exclusion for "noncommercial use of a mark") to cybersquatting claims, however, would severely undermine the ACPA. For example, doing so might enable bad faith cybersquatters, who register others' marks hoping to sell them to the rightful trademark owner for a tidy profit, to escape liability merely by posting a noncommercial website using the mark. As stated by the Ninth Circuit: "Allowing a cybersquatter to register the domain name with a bad faith intent to profit but get around the law by making noncommercial use of the mark would run counter to the purpose of the [ACPA]." *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672, 680 (9<sup>th</sup> Cir. 2005) (rejecting argument that exclusions in the current dilution statute should be extended to cybersquatting claims). "The use of a domain name in connection with a site that makes a noncommercial or fair use of the mark does not necessarily mean that the domain name registrant lacked bad faith." *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 778 (8<sup>th</sup> Cir. 2004).

When enacting the ACPA, Congress was well aware of the important role of permitting noncommercial and fair uses of others' marks in appropriate circumstances. However, Congress did *not* choose to make noncommercial use an automatic exclusion to cybersquatting claims. Instead, as mentioned above, Congress chose to address this issue by directing the courts to consider any *bona fide* noncommercial or fair use by the defendant as one of nine factors in determining whether the defendant had a bad faith intent to profit from the plaintiff's mark. 15 U.S.C. §1125(d)(1)(B)(i)(IV). The legislative history states: "This factor is not intended to create a loophole that otherwise might swallow the bill, however, by allowing a domain name registrant to evade application of the Act by merely putting up a noninfringing site under the infringing domain name." H.R. Rep. No. 106-412 at 11 (1999). Extending the "noncommercial use" and other exclusions in H.R. 683 to cybersquatting claims would do just that, rendering the "noncommercial or fair use" factor in the ACPA meaningless, *Bosley*, 403 F.3d at 681, and dramatically compromising the effectiveness of the Act.

## **2. Extending H.R. 683's Exclusions to Subsection 43(a) Infringement Claims Would Create Anomalies with Subsection 32(1) Infringement Claims**

There are two separate provisions in the Lanham Act covering trademark infringement claims. Subsection 32(1) (15 U.S.C. § 1114(1)) covers infringement of federally registered marks, while subsection 43(a) (15 U.S.C. § 1125(a)(1)(A)) is a broader provision covering infringement of marks or trade dress whether registered or not. Changing the word "subsection" to "section" in H.R. 683's exclusions provision would have the effect of expressly applying those exclusions to infringement claims brought under subsection 43(a) of the Lanham Act, but not to infringement claims under subsection 32(1). Courts might then conclude by negative implication that defenses such as fair use or noncommercial use – which have long been recognized as a defense to trademark infringement – are no longer available in actions brought under subsection 32(1).

## **3. Extending H.R. 683's Exclusions to Subsection 43(a) Infringement Claims Is Unnecessary**

Noting that the corresponding exclusions provision of the current dilution statute (15 U.S.C. § 1125(c)(4)) uses the term "section" instead of "subsection," proponents for amending

H.R. 683 assert that: (1) several cases have applied that provision to infringement claims under Lanham Act subsection 43(a); and (2) H.R. 683 would eliminate the protections for fair use, non-commercial use, and news reporting in suits for infringement of unregistered marks under subsection 43(a). The proponents are wrong on both points.

Only two cases are cited that even mention extending the exclusions in 15 U.S.C § 1125(c)(4) to non-dilution claims, but in neither case was such an extension necessary to the court's decision. For example, in *Ficker v. Tuohy*, 305 F.Supp. 2d 569 (D. Md. 2004), the plaintiff Robin Ficker was a candidate for political office. The defendants purchased the domain name "robinficker.com" and posted a website providing disparaging news stories and concerns about Ficker and his campaign. Ficker sued alleging claims for cybersquatting under Lanham Act Subsection 43(d), false designation under Lanham Act Subsection 43(a), and various common law claims. Ficker moved for a preliminary injunction which the court denied. Although the court noted in passing "that the Lanham Act provides 'non-commercial use of a mark' is not actionable under section 43 of the act," 305 F.Supp. 2d at 572, that was certainly not critical to the court's decision. Rather, the court relied heavily on the defendants' First Amendment rights to free speech in finding both that the plaintiff failed to demonstrate a likelihood of success on the merits and that the balance of harm clearly weighed in the defendants' favor, stating:

[T]his suit's implication on Defendants' First Amendment rights is an overriding issue. The First Amendment protection of speech is a core value of our democracy and this Court recognizes the First Amendment's particularly important role in political campaigns.

*Id.* Thus, it is obvious that the court would have denied the preliminary injunction regardless of the language used in the exclusions provision of the dilution statute.

*Planned Parenthood Fed'n of Am., Inc. v. Bucci*, 1997 WL 133313 (S.D. N.Y. 1997), *aff'd mem.*, 152 F.3d 920 (2d Cir. 1998), provides even less support. Although the district court stated that subsection 43(a) is "limited by § 1125(c)(4)(B), which states that 'noncommercial use of a mark' is not actionable under the Lanham Act," the court found that the defendant's website *was* commercial, and therefore the noncommercial use exclusion was inapplicable. 1997 WL 133313 at \*7.

The other two cases cited do not extend (or even discuss extending) the exclusions provision of the dilution statute to other provisions of Lanham Act Section 43. Rather, they rejected cybersquatting claims against consumer gripe sites because the plaintiff failed to prove bad faith intent to profit as required by the ACPA.<sup>2</sup> As discussed above, the only appellate court to consider the issue squarely held that the noncommercial use exclusion in the dilution statute does *not* extend to cybersquatting claims, despite use of the term "section" in the preamble. *Bosley*, 403 F.3d at 680-81.

Thus, the proponents have cited no cases that support their position. To the contrary, the cited cases demonstrate that courts are perfectly capable of applying the common law principles

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<sup>2</sup> *TMI, Inc. v. Maxwell*, 368 F.3d 433, 440 (5<sup>th</sup> Cir. 2004); *Northland Ins. Cos. v. Blaylock*, 115 F. Supp. 2d 1108, 1124 (D. Minn. 2000).

of fair and noncommercial use to infringement actions without relying on the exclusions in the dilution statute.

## CONCLUSION

Use of the term “section” in the preamble of the dilution statute’s exclusions provision was clearly an unintended drafting error that should not be carried forward into H.R. 683. Both the original dilution statute and H.R. 683 are trademark dilution bills, and were never intended to affect liability or defenses for other types of claims in the Lanham Act. Courts have had no trouble applying common law principles (such as fair and noncommercial use) to trademark infringement claims, and thus there is no need to extend the dilution bill’s exclusions beyond dilution claims. Doing so now would be particularly problematic because it would undermine the effectiveness of the ACPA, and create troubling anomalies between the two infringement provisions in the Lanham Act.

The language in question has remained unchanged in this legislation since the bill’s introduction. In fact, the same language was also part of the Committee Print that was the subject of Subcommittee consideration two years ago. There were no objections made to this language during the original House consideration of the bill. Its amendment was proposed, but rejected, during the Senate’s consideration of this bill. Indeed, given the considerable legislative consideration of the dilution bill during which the term “subsection” has consistently remained in the bill reflecting the reality that the use of the term “section” in § 43(c)(4) of the Lanham Act was clearly a drafting error, a change at this late date would improperly signal that Congress intends to alter the current state of the law. AIPLA urges the House to also reject the proposed amendment and move the bill forward.

We appreciate the opportunity to share our views on the proposed amendment and respectfully request that you give H.R. 683, the “Trademark Dilution Improvement Act of 2005,” expeditious consideration in order that it can be enacted at the earliest opportunity.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Kirk". The signature is written in a cursive, flowing style.

Michael K. Kirk  
Executive Director

cc: Chairman Smith  
Ranking Member Berman