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Legally Speaking-Domain Names, Cybersquatting, and the ICANN System

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Cases of Note

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To get into this, a subscriber had to prove ownership of a particular CD through the “Beam-it Service”, but from there on out, would be listening to MP3.com’s CD.

Robertson’s reasoning made sense. If I go over to your house and we swap the same CD, what difference does it make if I’m listening to yours and you to mine. What he refused to see, was MP3.com was buying CDs by the thousands and copying them for replay without authorization. It was copying when it put them in MP3 format to be played over its servers.

Fair Use - Purpose and Character

Well, of course it was commercial. Subscribers didn’t pay a fee, but the objective was to draw enough of them to put up advertising.

Did it transform it by giving it new meaning or understanding? See, e.g., Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994). MP3.com claimed it was transforming the music by “space shifting” - permitting the listener to hear his own music without dragging it around with him. But that’s not transformation. The pirated copies were just being retransmitted in another medium. See, e.g., Infinity Broadcast Corp. v. Kirkwood, 150 F.3d 104, 108 (2d Cir. 1998) (service transmitted copyrighted radio broadcasts over telephone lines). MP3.com was adding no new "aesthetics, insights and understandings." Castle Rock, 150 F.3d at 142. It was retransmitting the same music expression in another medium.

Nature of the Copyrighted Work

Well, we’re right in there with creative stuff — the core of what copyright protection is all about. Campbell, 510 U.S. at 586.

Amount and Substantiality

Yep. MP3.com copied the whole thing.

Effect of the Use on the Market

Music companies have a right to license their recordings. 17 U.S.C. § 106. MP3.com fell back on the argument that what they were doing would only enhance sales since the subscriber had to buy the CD. But of course, a positive impact has nothing to do with it. You start messing around with my product, you might get a positive impact or a negative one. If I don’t want to take the risk, I tell you, No, keep your hands off my product. Otherwise, I license you the right to mess around with it.

Huh?

MP3.com’s final argument was if they didn’t do it, “real” pirates would. In other words, there’s consumer demand out there, and music companies may as well face up to it and let MP3.com take the product for semi-free.

Of course, there’s a certain logic to it. MP3.com’s system forced a sale of a CD with profits flowing to the music companies. Truly pirated copies bring no income flow. And yes, it’s going to happen anyway. But this flies in the teeth of what everyone deep down believes about private property. If it’s mine, I have a right to refuse to evolve with consumer demand and run the industry into the ground. I’m entitled to be a fool.

So How Bad Is It for MP3.com?

Rather than appeal — and what earthly basis did he have for appeal? — Robertson chose to negotiate a settlement of $170 million, the largest copyright settlement in history. And, of course, there are many record companies not in the suit so there are still big damages lurking.

Forbes has Robertson thinking in Internet terms where six months is a long time. Beam-it is only a small part of the larger game plan. He has a car music player that holds 100 gigabytes — that’s 2,200 CDs ready to serve all those techno and trance fans.

Legally Speaking — Domain Names, Cybersquatting, and the ICANN System

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“What’s in a name? That which we call a rose by any other name would smell as sweet.”

This column is about names, because in these days of the Internet, domain names do make a big difference. Yet how much do we really think about the names that we enter to find Websites? Without the Domain Name System (DNS) currently in place, we would have links such as 255.15.543.2. Needless to say, this would make the Web much less useful. In order to make sure that the DNS registry runs smoothly, all of us need to understand how it operates, and what the laws are that regulate domain name disputes. The Internet is like the Wild West—there are many disputes, but also attempts to introduce order.

Those of us who were early users of the World Wide Web remember when big corporations like McDonald’s didn’t have their continued on page 72

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own domain names. At that time, a big corporation might have had a URL something like: www.internetproviders.net/members/businesses/corporations/mcdonalds. This kind of domain name is also unusable for Web surfers, because of its length and complexity. Of course, now McDonald’s is very easy to find at www.mcdonalds.com.

The Internet was formed in 1969 by the U.S. Defense Department as a communications system that would be able to function in the event of a nuclear attack. It was originally called ARPANET (Advanced Research Projects Agency Network). Around the same time, the National Science Foundation (NSF) developed the NSFnet. Eventually the two systems were merged under the NSF. With the introduction of the World Wide Web in 1994, the Internet became very popular and widely used.4

The U.S. government developed a coalition of contractors and private companies to manage the operations of the Internet—especially the DNS registry, allocation of IP address space, management of the root server system, and coordination of protocol number assignment. The DNS registry was maintained for a number of years by a company called Network Solutions. As the Web grew, however, it became clear that another system of management needed to be developed.5 In 1998, the Internet Corporation for Assigned Names and Numbers (ICANN) was formed as a non-profit, private-sector corporation. “ICANN has been designated by the U.S. Government to serve as the global consensus entity to which the U.S. government is transferring the responsibility for coordinating four key functions for the Internet: the management of the domain name system, the allocation of IP address space, the assignment of protocol parameters, and the management of the root server system.”6

There are a number of Top-Level Domain Names (TLDs). The original TLDs consisted of .com for commercial businesses, .org for non-profit organizations, .edu for educational entities, .net for network providers, .gov for the government, and .mil for the military. And, of course, most of the time we remember to look for the official White House Website by entering www.whitehouse.gov instead of www.whitehouse.com. Those who make the mistake of entering www.whitehouse.com are taken to a pornographic Website.

Soon after the establishment of the World Wide Web, TLDs were approved for geographic entities, such as .il for Israel, .cz for the Czech Republic, and .ky for the state of Kentucky. For example, the URL for legislation from the state of Minnesota is http://www.leg.state.mn.us/legis/logis.htm, and the city of Fresno, California, is at http://www.ci.fresno.ca.us. The geographic TLDs have proved to be very popular and are helpful to those of us who work in the library profession.

In November 2000, ICANN granted approval in principle to seven new TLDs. According to ICANN, “The selected TLD proposals are of two types. Four proposals (.biz, .info, .name, and .pro) are for relatively large, un-sponsored TLDs. The other three proposals (.aero, .coop, and .museum) are for smaller ‘sponsored’ TLDs.”7 The ‘un-sponsored’ TLDs operate under policies established directly by ICANN. “Sponsored” TLDs are operated by a sponsoring organization representing a specialized community with specialized rules. ICANN is currently in the process of negotiating the operating agreements.8

In the early days, people would register the domain names of companies, and then attempt to sell those names for large sums of money. This is called Cybersquatting, and is prohibited by the Anticybersquatting Consumer Protection Act of 1999, as well as by trademark law. It is now illegal to register a name and then attempt to sell it to the trademark holder.9 ICANN has also created dispute resolution rules.10 A challenge is afoot, however, to ICANN’s system, and this challenge is not in the best interests of consumers. ICANN is an imperfect entity, but the Internet needs some impartial administrator to mediate disputes.

Last fall I received notification that ICANN was considering .law as a new domain name. The organization that submitted the proposal was called Dotlaw, Inc. After a study of the issue, I sent ICANN a letter in support of the proposal.11 According to my comment, “Creation of a .law top-level domain would make legal research far more accessible to attorneys, librarians, and the general public. I believe that the establishment of a .law top level domain name would empower people, giving them a place to go to look for legal content…”12

A few weeks ago, I received a message via a discussion list that I subscribed to that a new .law domain name was available. The TLD came from a company called new.net.13 I had never heard of new.net, but I was still pleased that the .law domain name had been approved. After all, “One of the biggest barriers to the effective use of the Internet is the uncataloged nature of Cyberspace. The institution of a .law scheme would in effect be a way of cataloging legal sites for easy retrieval.”14 I realized that users need to download a piece of proprietary software or reconfigure their browsers in order to access these sites, which was disconcerting. After all, not everyone will have that software, and many people don’t like to download for fear of viruses. Yet without this software, .law is not available. However, it took a revelation from Michael Geist, a fellow law librarian, before I realized what was happening. He informed me that new.net is a competitor to ICANN, and that was why .law required proprietary software.15

According to Geist, “The reason you need a browser plugin is that the ‘.law’ domain is really just a layer on top of the existing domain system — when someone types in ‘bryan.law’ they are actually just accessing the new.net system.”16 Upon learning the truth about new.net really operates, I investigated the new.net system by registering a domain name, going all the way except for the credit card payment. It turned out that new.net is simply redirecting URLs from other sites.

I also wrote new.net a letter requesting that the .law domain contain some additional language to ensure that it is used for reliable information. After all, one of the major reasons that I supported the introduction of .law as a TLD was because “it will enable people to find reliable legal information quickly and easily… This will help to protect the consumer, and will make the .law TLD a more impressive and more important domain name.”17 The reply I received indicated that “We are currently not restricting registrations in any of our TLDs.”18

While new.net is somewhat unappetizing, it is not in any way illegal or unethical. However, there are other companies who are actively trying to mislead the public. In December 2000, the Federal Trade Commission (FTC) issued a consumer alert entitled “What’s Dot and What’s Not: Domain Name Registration Scams.”19 Domain names are the newest area of opportunity for confidence games. Having once been fooled, I’m determined that—in the immortal words of The Who—“We won’t get fooled again!”20

Domain names can also become a source of conflict and litigation, even in the absence of bad intentions. One example that is currently taking place in the area of legal research involves the dispute between legal researcher T.R. Harris and the Lexis-Nexis Corporation. An experienced legal researcher and author of Law of the Super-Searchers: the Online Secrets of Top Legal Researchers,21 T.R. created a free legal research Website entitled LexNotes.22 According to the Website, “LexNotes is a news online resource for legal research professionals. It provides categorized and searchable links to research sources, bibliographies, pathfinders, articles, reviews, papers, legal news, and tips.”23 This Website is primarily aimed at lawyers and law librarians, although it is accessible by the general public as well.
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At this time, the dispute between Halvorson and Lexis-Nexis is still going on. Disagreements over domain names such as this occur with some regularity now that the Internet has become popular. The Domain Name System does provide a possibility of both abuse and unintentional conflicts. However, ICANN, trademark law, and the Anticybersquatting Consumer Protection Act of 1999 are trying to bring order to the system. The net challenge to ICANN is a troubling prospect. Still, sometimes disputes do arise over domain names, even within a bad faith on the part of anyone. The more we know about trademark law, the easier it becomes to avoid trouble.

The Internet is still in the Wild West days of its beginning. However, ICANN and its allies are trying to bring law and order to the system without bringing control. We who work with the Internet still have a hard road to travel, but the Wild West came to order, and even the most infamous territories were tamed. So, too, can the Internet become civilized.

Questions & Answers
Copyright Column

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QUESTION: How does one deal with copyright on a photo taken prior to 1900 where the photographer is unknown and not identified in the image?

ANSWER: In order to deal with this issue, there are several questions that need to be addressed. Has the photo ever been published? If so, the copyright is dated from that date since it was under earlier Copyright Acts rather than the date when the photograph was taken. If it was never published, the copyright is still under copyright until the end of 2002 or life of the photographer plus 70 years, whichever is greater.

Is the photograph famous? If so, then one of the stock photography companies may hold the rights. If not, and the photographer is unknown, the library may decide that the risk is small and go ahead and use the photograph.

QUESTION: Recently the “Today Show” featured a man who buys movies on video and then edits out the sex, offensive language and violence. He then rents the edited versions to anyone interested in seeing “clean” movies. Is this copyright infringement?

ANSWER: Yes. By editing the movies and making them available he is preparing a derivative work that can be done only with permission of the copyright holder. Then he distributes the videos. Television networks pay for this right when they broadcast movies that have been edited. One might assume that he is also making at least one copy of the work to produce the edited version. In other words, in addition to preparing an unauthorized adaptation of the work, he is reproducing it as well as distributing copies.

QUESTION: A faculty member has posed an interesting question. She uses photographs of houses as reference for her paintings. Although she sets the houses in her paintings in a context of her own creation. Is this copyright infringement. A related question is whether one appropriates an image and when its working is an infringement of copyright and when it becomes a new work of art?

ANSWER: Reproducing a photograph is infringement if the photo is still under copyright. The house itself could be copied directly, not just the photograph. There is a famous saying in copyright law that it is permissible to copy the original but not to copy the copy. This means that the house is the original and the photograph of the house is the copy. The artist certainly can reproduce the original, i.e., the house, but not the copyrighted photograph. If the house in the paintings is just based on the house in the photograph, then it may be a new work of art.

The related question is much more difficult since by tradition many works of art are based on earlier works. Again, reproducing the original painting in any format (such as pen and ink, watercolor, etc.) is infringement. If the work is copyrighted, then reworking it creates a derivative work, and only the owner of the copyright has the right to create adaptations of the original work. When the adaptation is for display in face-to-face teaching in a nonprofit educational institution, it might, however, be fair use.

QUESTION: One of the library’s requests for an interlibrary loan photocopy of a 1994 article got referred on to an association library. That library refused to continued on page 75

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Legally Speaking Endnotes
2. The domain name examples in this section are fictional. They are intended only as examples.
4. id.
6. id.
8. id.
9. id.
11. id.
14. id.
17. Michael Geist. “Re: .law domain name approved (long but important).” E-mail to law-lib@ucdavis.edu. Saturday, March 31, 2001.
18. id.
27. id.
31. id. at 1027.
32. id. at 1029, footnote 2.
33. id. See also, Ardena L. Walsh. “Re: Lexis and LexNotes.” E-mail to law-lib@ucdavis.edu. Tuesday, March 13, 2001.
35. id.