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Joshua Clowers
University of Richmond

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ON INTERNATIONAL TRADEMARK AND THE INTERNET: THE LANHAM ACT’S LONG ARMS

Joshua Clowers*

I. INTRODUCTION: TRADEMARK LAW, THE LANHAM ACT, AND THE INTERNET

A. AN OVERVIEW OF TRADEMARK LAW

[1] Trademarks tie a face to a product. The face is often a name or symbol, but it can also be something like a sound, a smell or even a “look.” They exist for the benefit of both the trademark owner/producer and the consumer. The purpose of a trademark, traditionally, has been to protect against the confusion of consumers when selecting products or services. Yet, a trademark’s functionality is not limited to preventing confusion. Other uses include both preserving the goodwill of the consumer for the mark owner and preventing the “diversion of trade through commercial misrepresentations.” Trademark is a system by

* J.D., 2006, University of Richmond, T.C. Williams School of Law. Mr. Clowers is an Associate at the law firm of Dunton, Simmons & Dunton in White Stone, Virginia. He served as the Annual Survey Editor for the Richmond Journal of Law & Technology in 2005-2006. He completed his B.A. in Political Science at Virginia Tech and has an extensive technical and computer background. He wishes to thank his advisor, Professor James Gibson, for his guidance and support in this endeavor, and Beth, for her constant inspiration and for letting him keep his aquarium at her house.


which consumers may choose between readily identifiable and distinguishable goods based on the reputation of a manufacturing company.\(^4\) Congress has regarded trademark protection as being an indispensable component of American business, as it provides the necessary incentive to a business to maintain quality standards in order to preserve the value of their trademark.\(^5\) Because of this considerable value, Congress has designated that the government should afford trademarks the greatest protection possible within the United States.\(^6\)

[2] The value of trademarks to producers and other trademark owners lies in a mark’s capability to lower the search costs for consumers, thus generating value in the form of what has been termed “information capital.”\(^7\) Information capital is a value embodied by the message or reputation conveyed by the trademark.\(^8\) Trademarks perform a filtering function for consumers, wherein they are able to lower the time and cost expended searching for a product based on the trustworthiness of a producer’s mark.\(^9\) Without the safeguard of law offered to a trademark, the utility of this filtering function is rendered into what amounts to “lame duck”\(^10\) protection, both for the consumer and the producer.\(^11\) A producer who properly maintains quality and service standards for its mark will be able to take advantage of the economic benefits resulting from the maxim of a consumer’s willingness to pay higher prices for the assurances that come with a familiar and reputable mark.\(^12\) This economic benefit, however, again depends completely on the protection offered to a mark.

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\(^5\) Id.
\(^6\) Id. at 1277.
\(^8\) Id.
\(^9\) Landes, supra note 7, at 271.
\(^10\) The term “lame duck” here is meant to indicate the ineffectiveness of something purported to be serving a function. While the term is typically applicable to an elected officer who is sitting in office but not continuing into the next term, it seems appropriate to characterize this circumstance as such.
\(^11\) Landes, supra note 7, at 270.
\(^12\) Id.
holder from the “free riding” of competitors and other profit-seekers aiming to dilute, infringe upon, or otherwise benefit from another’s trademark. Without this protection, the incentive for developing a valuable trademark in the first place dissipates.

[3] At common law, trademark consisted of a word, phrase, logo, pattern, color, design, or other indicator of the source of a product. During the evolution of trademark law, mechanisms that qualify as a trademark for protection purposes have been extended to sounds and smells in addition to their visual counterparts. It is possible that even digital signatures or cryptographic marks, so long as they still serve the basic trademark purpose of indicating the source of a product may qualify for at least some level of trademark protection as the evolution of trademark law continues.

[4] The most commonly cited test for finding trademark infringement comes from the Polaroid case, which sets out a series of factors a court must weigh in determining whether an entity has used a trademark in such a way that would result in a “likelihood of confusion” in the mind of a consumer regarding the source of a product. The Polaroid likelihood of confusion test considers eight different factors:

(1) the strength of the plaintiff’s mark; (2) the degree of similarity between plaintiff’s mark and defendant’s mark; (3) the proximity of the products or services; (4) the likelihood that the plaintiff will bridge the gap; (5)

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13 See id. (stating that the concept of free riding in relation to trademarks refers to a trademark owner’s competitor attempting to duplicate the owner’s valuable trademark in an effort to dupe a consumer into believing the free rider’s brand is identical to the valuable trademark owner’s brand, thus allowing the free rider to garner profits).
14 Id.
15 Id.
17 Id. § 7:104.
evidence of actual confusion; (6) defendant's good faith in adopting the mark; (7) the quality of defendant's product or service; and (8) the sophistication of the buyers.20

Based on these, if a court determines that the totality of the circumstances leads to the conclusion that a reasonable consumer would be confused as to the source of a product based on mark, there is a violation of the trademark law.21 This is called “dilution,” and it exists to prevent garnering profit through the use of another’s mark.22

[5] Thus far, this article has only broached the tip of the iceberg regarding the fundamentals of trademark theory, but it is sufficient to lay the necessary foundation for the remainder of this article.

B. THE HISTORY OF THE LANHAM ACT

[6] The Lanham Act23 provided for the first time both substantive and procedural rights in trademark.24 Congress implemented the Act in 1946 in an effort to eliminate both “deceitful practices in interstate commerce involving the misuse of trademarks,” and “other forms of misrepresentations which are of the same general character even though they do not involve any use of what can technically be called a trademark.”25 The Lanham Act represents the codification of the federal trademark statute, which has clarified the definition and scope of a trademark to include

any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those

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21 See id.
22 Id. at 234.
23 The Lanham Act is also commonly known as the Federal Trademark Act of 1946.
manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.\textsuperscript{26}

Subsequent amendments to the Lanham Act have sought to add to or clarify this definition,\textsuperscript{27} but at no point has Congress occasioned to weigh in on the international application of the Lanham Act.

[7] The Lanham Act has authority to regulate that conduct which is deemed to occur “in commerce.”\textsuperscript{28} Unlike patent and copyright law, Congress does not garner its ability to regulate this arm of intellectual property law from Article One of the Constitution.\textsuperscript{29} Instead, it is derived from the Congress’ power to legislate in matters of interstate and foreign commerce.\textsuperscript{30} There are several other ways in which trademark differs from patent/copyright, but the most notable is that patent and copyright law confer specific property rights, whereas trademark law only protects against similar uses.\textsuperscript{31}

[8] The Lanham Act differs from copyright and patent law in another notable way: it apparently can be (and is) applied to extraterritorial matters, following the U.S. Supreme Court holding in \textit{Steele v. Bulova Watch Co.}\textsuperscript{32} and its progeny. Scholars have long debated whether this international application of the Lanham Act is appropriate, or even whether it comports with International Law on its face.\textsuperscript{33} Nevertheless,


\textsuperscript{27} See, e.g., The Trademark Law Revision Act of 1988, \textit{supra} note 1.

\textsuperscript{28} 15 U.S.C. § 1127 (2000) (defining commerce as “all conduct which may lawfully be regulated by Congress”).


\textsuperscript{30} \textit{Id.}


\textsuperscript{33} See, e.g., Bradley, \textit{supra} note 31, at 540 (arguing against the appropriateness of applying the Lanham Act extraterritorially); \textit{contra} Yelena Simonyuk, \textit{The Extraterritorial Reach of Trademark on the Internet}, [2002] DUKE L. & TECH. REV. 9 (pointing out the language in the Paris Convention impliedly authorizing some extraterritorial enforcement of trademark law).
neither the Supreme Court nor Congress have taken steps to modify the Lanham Act’s international reach since the Court’s decision in Steele.

C. TRADEMARK DISPUTES OVER THE INTERNET

[9] “[T]he growing international and transnational nature of commerce, the spread of digital technology, and the ubiquity of the Internet, which together have provided a fertile ground for new trademark battles, have accompanied a broad legislative and judicial expansion of fundamental trademark concepts.”34 Trademark law in the United States has been extended from a simple subsidiary of unfair competition law to a complex, heavily litigated, and ultimately internationally divisive remedial system.35 Not only has the range of subject matter encompassed under trademark law been augmented, but there has also been an expansive list of specific remedies proliferated, designed to address corresponding issues encountered due to technological and political changes in American society.36

[10] As the Internet has taken its place as a bedrock of American society, entirely new questions of trademark law have emerged, which have made the issue of the Lanham Act’s extraterritorial application even more important. The questions vary in their complexity. For example, what qualifies as “use” of a trademark on the Internet? Or, because the Internet itself is an American “product” and is “based” in the United States, does any conduct on the Internet fall within U.S. trademark jurisdiction? In other words, could a foreign citizen who publishes a website potentially become subject to American trademark law? If so, to what extent can the U.S. government enjoin the active trademark dilution a foreign defendant

[11] This article will examine the international application of the Lanham Act in the extraterritorial protection and enforcement of trademarks, particularly with regard to the Internet and e-commerce, and attempt to prescribe a fair and reasonable solution to the somewhat conflicting doctrines underlying U.S. versus international trademark protection. Part

34 Halpern, supra note 29, at 237-38.
35 Id. at 238.
36 Id.
One will center around the Lanham Act as it has been interpreted to apply internationally, discussing both positive and negative criticisms, as well as the compatibility of its transboundary scope with overarching international law. Part Two will accept the international application of the Lanham Act and discuss how it is being applied to e-commerce on the Internet, paying special attention to some of the special problems presented by trademark law over the Internet.

II. BEFORE THE INTERNET: THE INTERNATIONAL APPLICATION OF THE LANHAM ACT

A. TRANSBOUNDARY MARKS AND THE PARIS CONVENTION

[12] Generally speaking, a trademark is a function of territory, meaning that a given trademark will normally only receive protection of exclusive rights over the mark within a certain territorial boundary. The Paris Convention for the Protection of Industrial Property provides for the basis of international trademark law. This philosophy is reflected in Article 6(3) of the Paris Convention, which states “a mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin.” The Paris Convention articles go on to contain a “national treatment” tenant supporting this approach to trademark law jurisdiction, stating that:

[n]ationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereinafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the

38 Simonyuk, supra note 33, at 22.
conditions and formalities imposed upon nationals are complied with.\(^{40}\)

[13] Based on this, critics of international trademark application argue that a mark should only be enforced within the borders of the state in which it is registered; instead, each nation should take responsibility for the enforcement of trademark law within their own borders, and apply their own laws to any legal dispute.\(^{41}\) In other words, conduct taking place outside of the territory of the United States should not fall within the trademark law jurisdiction of the United States, and thus foreign infringement of a U.S. trademark does not logically have a place within U.S. jurisdiction.\(^{42}\)

[14] Despite this logic, however, history has repeatedly shown us that “famous or well-known marks may well leap oceans and rivers, cross national borders, and span language barriers to achieve international recognition. They may frequently be protectable even when the foreign good or service to which they are attached is not yet readily available.”\(^{43}\) It has been argued that the Paris Convention, in Article 6(bis), authorizes a country to exercise extraterritorial jurisdiction in some limited cases.\(^{44}\) Article 6 basically states that a member state\(^{45}\) is prohibited from registering a mark that is a reproduction, imitation, or a translation liable to create confusion with a well-known mark known to be registered in another member state for similar goods.\(^{46}\) Some have argued that Article 6 vests a member state with the authority to exercise jurisdiction over an activity taking place wholly outside of the geographical territory of the home state of the injured trademark owner.\(^{47}\) But questions remain as to

\(^{40}\) Id.
\(^{41}\) Bradley, supra note 31, at 538-39.
\(^{42}\) Simonyuk, supra note 33, at 10.
\(^{43}\) Burk, supra note 18, at 720.
\(^{44}\) Simonyuk, supra note 33, at 23.
\(^{46}\) Paris Convention, supra note 39.
whether this is an appropriate interpretation of what the law is implying, and if so, to what extent is it meant to grant authority?

B. STEELE V. BULOVA WATCH CO.: THE INTERNATIONAL SHOE DROPS

[15] Following the U.S. entry into the Paris Convention in 1896, it was not entirely clear as to whether the Convention would afford the U.S. latitude to bring extraterritorial trademark cases into U.S. courts. Congress’ 1905 Trademark legislation, the first modern version of American trademark statute, did not provide a simple answer to this question. After Congress passed the Lanham Act in 1946 (which was silent as to the international applicability of the new trademark act), it was not long before the Supreme Court granted certiorari on this question.

[16] The seminal case in answering the question of the extraterritorial applicability of the Lanham Act’s protection for U.S. trademarks is Steele v. Bulova Watch Co., decided in 1952. In this case, a U.S. citizen obtained the Mexican rights to the widely-known “Bulova” name and subsequently began to manufacture and sell watches bearing that mark in Mexico; several of those watches found their way into the United States, despite being wholly the products of Mexico. Bulova brought suit in a Texas federal district court seeking both injunctive and monetary relief under the Lanham Act. Bulova had only registered their trademark in the U.S.; Steele had registered in Mexico several years before the inception of the lawsuit. The U.S. Supreme Court found Steele subject to the Lanham Act’s trademark protection provisions despite the fact that the apparently infringing behavior occurred outside of the territory of the United States.

49 See Steele, 244 U.S. at 281-82 (granting certiorari to determine whether a United States district court has jurisdiction over acts of trademark infringement and unfair competition carried out in a foreign country).
50 Id.
51 Id.
52 Id.
53 Id.
54 Id.
[17] In explaining its opinion, the Court stated that there has never been any dispute as to whether Congress had the authority to regulate the actions of U.S. citizens in their behavior extraterritorially. The Court pointed out that the Lanham Act specifically was intended to extend to any commerce over which Congress has the power to legislate. The Court was careful to emphasize the fact that Steele was an American citizen, and despite the apparent assembly and sale in Mexico, Steele’s conduct “had effect” within the United States, and so the jurisdiction did not have to depend on the territory in which the Bulova mark was placed onto the watch. Last, the Court decided that exercising U.S. jurisdiction over the matter was not contrary to international law, treaties, or the law of Mexico, based on the fact that Mexico had cancelled the registration of Steele’s trademark during the course of the litigation.

[18] In the wake of this decision, many questions were left unanswered, which lower courts have been forced to wade through in deciding whether and how to apply the reach of U.S. trademark jurisdiction. The Court, in rendering its decision, failed to articulate exactly on what principles it based its decision; in doing so, the utility of the opinion in the case became limited. It was never clarified whether Steele’s ties to the U.S. (most obviously his U.S. citizenship) were dispositive of jurisdictional issues, or instead whether the presence of the watches in the U.S. was what made jurisdiction appropriate. The Court did not issue a test that would clarify which issues were determinative to liability imposition or jurisdiction, nor did it prescribe any indication of what weight to accord different factors contributing to the liability of a trademark infringer. Lower courts have adopted a varying series of tests, which generally examine some or all of three key factors: first, what effect does the infringing conduct have on commerce within the United States?; second, what is the citizenship status of the defendant?; and third, does a conflict

55 Steele, 344 U.S. at 282.
56 Id. at 284.
57 Id. at 287.
58 Id. at 289.
59 Bradley, supra note 31, at 528.
60 Id.
61 Id.
62 Id.
actually exists, or is a conflict likely to occur, between U.S. law and the law of the state in which the conduct takes place?²

[19] As mentioned earlier, it is widely disputed as to whether there has ever been any authority for the United States to apply its trademark law to activities occurring outside of its territorial borders. Some commentators have argued that the Court’s reasoning in Steele missed, and that Congress never intended for the Lanham Act to apply on an international scale.⁶⁴ Those commentators argue that, despite widespread dissent (of varying degrees), Congress has taken no specific action to amend the Lanham Act to include specific provisions for its international application, even if only for clarification purposes.⁶⁵ This is not to say that there has been congressional inaction with regard to the Lanham Act. To the contrary, many amendments have been made to the Act in the 45 year period since the Steele decision.⁶⁶ Several of these amendments have dealt directly with sections that have “international implications.”⁶⁷ Further, the Lanham Act uses the word “nationwide” where it could have used the word “worldwide;” had Congress used the word “worldwide” instead, it would clarify their intent to apply the Act beyond the territory of the U.S.⁶⁸

[20] On the other hand, some commentators have argued against these suggestions, as well. For instance, based on congressional inaction, one can infer that Congress was satisfied enough with the way in which Steele interpreted the law that it did not find necessity to amend the statute.⁶⁹ And, although Congress’s use of the term “nationwide” makes it more difficult to extrapolate an argument for the extraterritorial application of the Lanham Act, Congress’s recognition of the declining value of a trademark should such extraterritorial protection not be offered cannot be

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⁶³ Id. (noting that the courts differ on the requisite amount of each prong necessary for a finding of liability).
⁶⁴ Bradley, supra note 31, at 531.
⁶⁵ Id. at n. 160.
⁶⁷ Schechter, supra note 47, at 625.
⁶⁸ Id., at 628.
⁶⁹ Id. at 625.
disputed.\textsuperscript{70} Therefore, it could reasonably be inferred that Congress would understand and approve of the need for extraterritorial protection of a trademark, without which the mark would lose its value.\textsuperscript{71}

[21] Despite this dispute, as has been mentioned, neither the Court nor Congress have taken any action to overturn the way the Lanham Act is interpreted in \textit{Steele}, regardless of whether it is potentially incongruous with congressional intent or even international law. Therefore, the basis of international trademark dispute resolution in the United States still stems from \textit{Steele} and its progeny as it interprets the Lanham Act.

C. THE PRESUMPTION OF STRICTLY TERRITORIAL APPLICATION OF U.S. LAW

[22] The Supreme Court has stated that there is a presumption that the “‘legislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial boundaries of the United States.’”\textsuperscript{72} In other words, for an Act of Congress to have international effect, it must be explicitly shown that there was clear intent of Congress to create an extraterritorial application for the law in question.\textsuperscript{73} Proponents of the international application of the Lanham Act posit that this is only a “canon of statutory construction.”\textsuperscript{74} Admittedly, it is undisputed that Congress has definite power to pass laws affecting extraterritorial matters, which is made all the more certain when U.S. citizens are involved.\textsuperscript{75}

[23] Still, there has been an extensive line of common law applying this presumption of territoriality, spanning back the length of our nation’s judicial history.\textsuperscript{76} The Court found it permissible for congressional regulation of piracy on the high seas in 1818, but only in the case where

\begin{itemize}
\item \textsuperscript{70} Id. at 628.
\item \textsuperscript{71} Id.
\item \textsuperscript{72} EEOC v. Arabian Am. Oil Co., 499 U.S. 244, 248 (1991) [hereinafter \textit{Aramco}]
\item \textsuperscript{73} \textit{Aramco}, 499 U.S. at 248.
\item \textsuperscript{74} Bradley, \textit{supra} note 31, at 510-11.
\item \textsuperscript{75} Id.
\item \textsuperscript{76} Id., at 511.
\end{itemize}
specific statutory language shows its intent to do so. It held in 1909 that the Sherman Antitrust Act does not extend to the anti-competitive conduct of a U.S. defendant company in foreign countries. The Court has also applied the presumption of territorial application to a series of labor law cases between 1918 and 1963, after which point there was a lull during which some commentators have suggested the presumption seemingly fell out of favor with the Court.

[24] The Court then eliminated all doubt as to the applicability of this presumption with the Aramco decision in 1991. In short, Aramco held that the language of the statute in question lacked sufficient evidence to warrant applying it extraterritorially, despite several strong indicators to the contrary. The Court ignored the indicators, holding that, to apply the statute outside of the typical territorial scope (i.e. within the U.S.’s exclusive jurisdictional borders), the language of the statute would have to be so specific that it would require no inferences as to whether the statute extended beyond U.S. borders; rather, it would have to provide clear, unambiguous evidence that Congress intended an extraterritorial application. The Court reasoned that Congress was well aware of how to clearly state the intention for a law to apply extraterritorially and had done so many times in the past. Therefore, Congress could have easily written any intention for extraterritorial application into the statute. Under the Aramco facts, the Court found it insufficient to simply infer from

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77 United States v. Palmer, 16 U.S. 610 (1818) (holding that, although Congress did have the power to regulate the conduct in question over a foreign citizen on a foreign vessel, they had not yet used that power; the statutory language lacked the required specificity to include the foreign citizen within its scope).
78 American Banana Co. v. United Fruit Co., 213 U.S. 347 (1909) (holding that, when it is in doubt as to the intent of the language, the effect of a congressional act must be limited in its application to only within the realm of its general authority to act).
79 Id. at 512 (citing to a series of labor law cases decided in the Supreme Court between 1918 and 1963).
80 Id.
81 Id.
82 Aramco, 499 U.S. at 248-259.
83 See id.
84 Id. at 258.
essentially “boilerplate” language in the statute that Title VII was meant to apply extraterritorially.\(^8^5\)

[25] The *Aramco* decision, contrary to the decision reached by the Court in *Steele*, seems to again move toward a doctrine consistent with the presumption against extraterritoriality. The *Aramco* Court distinguished *Steele* on a factual basis, saying that the disparity in the language used in the statutes did not permit equal treatment as to extraterritorial application.\(^8^6\) However, some commentators have argued that the *Aramco* decision actually represents a return to the presumption of territoriality, and that *Steele* simply represents a hiccup in American jurisprudence that cannot be reconciled with the subsequent decision in *Aramco*.\(^8^7\)

[26] If this is true, and perhaps the *Aramco* decision has been reached in such a way that is incompatible with *Steele*, what defense do trademark holders have against infringers acting in another jurisdictional territory? Of several suggestions that have been made by one commentator to resolve this, the most obvious is for a congressional amendment to the Lanham Act clearly delineating the transboundary scope of its protection.\(^8^8\) For now, the Supreme Court’s decision in *Steele* stands as the authority for applying the Lanham Act extraterritorially, *Aramco* and the presumption against extraterritoriality notwithstanding.

D. ZONES OF EXPANSION AND TERRITORIALITY

[27] Geographic territories are often thought of as the rubric by which jurisdiction over trademark issues is determined. But it is not always clear to what extent a product or producer has expanded its market, or to what

\(^{85}\) *Id.* at 250-51.

\(^{86}\) *Id.* at 252-53 (holding that the broader language in the Lanham Act purporting to exercise power over “all commerce” gives a better indication of Congress’ intent for the Act to apply extraterritorially than Title VII’s general commerce language).

\(^{87}\) Bradley, *supra* note 31, at 531-36 (presenting reasons why the *Steele* decision has failed to comport with the presumption against extraterritoriality).

\(^{88}\) See *id.* at 569-84 (suggesting also (1) to bring suit in the foreign country in which the infringement is taking place; (2) for U.S. courts to apply foreign law; and (3) adapt contributory infringement principles from other branches of IP law to reach trademark infringers internationally).
extent they will expand in the future. As a result, to secure marketability and reputation for trademark owners, the concept of a “natural zone of expansion” has emerged in common law. A “natural zone of expansion” refers to a contiguous territory into which it can reasonably be expected for a mark owner to expand their market beyond their current territory.89

[28] For example, it may very well be foreseeable for a Canadian mark produced in Toronto to expand south into the United States, depending on their business model, market strategy, and history of growth. The natural zone of expansion concept would ideally afford common law protection to the Canadian mark when it reached the United States. It may, however, not be foreseeable for that same Canadian mark to conduct expansion into China, and therefore a concurrent use of a similar mark in the Chinese market potentially may not be precluded simply based on the existence of a very similar mark in Canada. But depending on the Canadian mark owner’s business plan, it may in fact be foreseeable for the Canadian mark to expand into China, thereby procuring common law protection.

[29] These areas of expansion are only areas of “expected use,” not actual use, and the expected use must be based on more than the mere conjecture of a mark owner’s aspiration to expand into an area, so it is necessary to have a scheme for determining priority over a given area.90 The Eleventh Circuit has held that a mark owner who has established goodwill in one zone using a mark similar to that of another mark owner in another zone is protected in their original zone, even in the case that they are not first in time to register their mark (absent bad faith).91 However, a mark owner who is second in time does not have that same protection in a zone of expansion; a mark owner who is first in time would likely have priority over that zone of expansion over a second in time mark owner.92

[30] Needless to say, the notion of zones of expansion has presented many questions as to the common law application of the principle. The fruition

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89 Burk, supra note 18, at 707.
90 Id.
91 Tally-Ho, Inc. v. Coast Community College Dist., 889 F.2d 1018, 1028 (11th Cir. 1989).
92 Burk, supra note 18, at 707.
of some of these questions first emerged in the case of *Vaudable v. Montmartre, Inc.*, wherein there was a dispute involving a New York City restaurateur who was accused of imitating the name and decor of an internationally famous Parisian restaurant.\(^93\) Though the case was decided on other grounds,\(^94\) the international reputation of the Parisian restaurant ultimately led to the enjoining of the New York restaurateur from doing business under that famous name.\(^95\) The result in this case has led to the suggestion that “famous marks will be protected from appropriation in the United States, even if they have never been used here, thus effectively recognizing an international zone of expansion.”\(^96\)

[31] This presents a generalized principle regarding common law protection of trademark, which has been shaped to a far finer standard by subsequent case law centered primarily on whether or not the infringement was done in a bad faith attempt to profit from the mark owner’s reputation.\(^97\) In the case of *Koffler Stores, Ltd. v. Shoppers Drug Mart, Inc.*, it was again held that the zone of expansion of a foreign mark owner preserved the right to use that mark outside of normal territorial restrictions.\(^98\) In this case, a Canadian drugstore advertised over the radio close to the U.S. border, and the radio signals crossed into the United States.\(^99\) When a U.S. drug company in that area began using a similar trademark, the Canadian drug store brought suit in Federal District Court.\(^100\) The court found against the U.S. drugstore, holding that it was using the Canadian drugstore’s mark within that Canadian drugstore’s natural zone of expansion.\(^101\) This extended the meaning of the zone of expansion doctrine to marks even if they were not famous enough to necessarily warrant protection elsewhere in the world (as in the *Vaudable* case).

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\(^94\) See *id.* at 335 (deciding eventually this case based on more generalized unfair competition grounds rather than strict application of trademark law).
\(^95\) *Id.*
\(^96\) *Burk, supra* note 18, at 720-21 (discussing *Vaudable*’s impact on international trademark application).
\(^97\) *Id.*
\(^99\) *Id.*
\(^100\) *Id.*
\(^101\) *Id.* at 704.
case, which afforded protection to the Parisian restaurant based on the mark’s fame). From this, one can infer that the fact that the mark’s natural zone of expansion had clearly spanned across territorial borders did not preclude common law protection of that mark.  

[32] Following this case, the Federal Circuit Court declined to adopt the doctrine of concurrent territorial use and restricted the meaning of “bad faith” to a relatively narrow standard in the case of Person’s Co. Ltd. v. Christman. In this case, a U.S. manufacturer intentionally copied a Japanese manufacturer’s mark, who later attempted to enter the U.S. market. The Japanese manufacturer sued, but the court held that because the Japanese manufacturer’s mark was not famous and the U.S. manufacturer had no knowledge that the Japanese manufacturer intended to enter the U.S. market, they did not act in bad faith. Further, the court held that bad faith could not be derived only from prior extraterritorial use – there must have been “knowledge of a prior actual user in U.S. commerce.”

[33] This ruling represented a sharp whittling away in how the courts would apply the zone of expansion theory. Based on this ruling, it is clear that the zone of expansion was not going to be applied liberally, thereby affording little weight to foreign trademarks in the U.S. The court clearly stated that the Japanese mark holder’s claims, though well-founded, did not have the authority to restrict commerce in the U.S. This holding demonstrated that, although the Japanese mark holder obviously may hold a clear first right to the mark in a zone of expansion, the effect on U.S. commerce is the first and foremost interest of the court.

102 Burk, supra note 18, at 721.
103 Person’s Co. Ltd. v. Christman, 900 F.2d 1565, 1568 (Fed. Cir. 1990) (dismissing the doctrine because the mark’s “foreign use has no effect on U.S. commerce” and could not be the basis of an argument that therefore someone who uses a mark in foreign commerce has rights to it in the U.S.).
104 Burk, supra note 18, at 721 (citing to Person’s Co. Ltd., 900 F.2d at 1568).
105 Id.
106 Id.
107 Person’s Co. LTD, 900 F.2d at 1570 (emphasis added).
108 See generally id.
109 See id.
as it pertains to law within the U.S. Apparently, the only way that the
court would have found bad faith in the U.S. mark holder’s actions is if
evidence existed indicating that the Japanese mark holder planned to enter
U.S. commerce prior to the U.S. mark holder’s initial use.\textsuperscript{110} Despite this
limitation on the zone of expansion theory, it remains a useful tool for
looking at the application of trademark law to the Internet.

III. THE INTERNET: ENFORCING THE LANHAM ACT AT LIGHT SPEED

A. SPECIAL PROBLEMS IN TRADEMARK ON THE INTERNET

[34] “The fact that the Internet is not in the world of bricks and mortar
raises the question of what actually constitutes trademark ‘use’ on the
Internet.”\textsuperscript{111} “Use” in trademark infringement over the Internet can take
many forms.\textsuperscript{112} “Traditional trademark infringement actions are brought
under the Lanham Act on a cause of action for infringement of registered
marks, while Section 43 covers unregistered marks, claims for dilution and
now cybersquatting.”\textsuperscript{113}

[35] There are now several special problems in trademark that result from
“use in commerce” over the Internet. As outlined in Ryan Isenberg’s
article,\textsuperscript{114} “use in commerce” has expanded to include four unique areas:
domain names, hyperlinks, meta tags, and framing.\textsuperscript{115} This is of course in
addition to the traditional trademark cases that may arise. Here, “use” on
an Internet website seems to essentially fall within the definition
prescribed by the Lanham Act’s “use in commerce” language as it is
typically applied in the general market setting.\textsuperscript{116} Despite this difference

\textsuperscript{110} See id. (stating that the Japanese mark holder had no goodwill in the U.S. for the U.S.
mark holder to garner from the use of the mark).
\textsuperscript{111} Simonyuk, supra note 33 at 2.
\textsuperscript{112} Isenberg, supra note 20, at 230.
\textsuperscript{113} Id.
\textsuperscript{114} Id. at 230-33 (identifying and describing trademark infringement potentially stemming
from these sources).

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in character, trademark infringement over the Internet stems from the same roots as its bricks-and-mortar counterparts, such as dilution and unfair competition.\textsuperscript{117}

[36] Domain names are the first and most immediately apparent area in which trademark infringement over the Internet can occur. The domain name of a website, often times simply referred to as a web address, is the uniquely registered identifier which generally reflects a corporate name or phrase.\textsuperscript{118} To procure a web address, a person or entity must simply pay a nominal fee to Network Solutions, Inc. ("NSI") or an agent and pick out a name not already previously registered.\textsuperscript{119} Due to the ease with which domains can be registered, many trademarked domain names were initially registered by enterprising entities other than the mark’s owners known as “cybersquatters,” who have been described as “speculator[s] who knowingly reserve a trademark as a domain name merely to sell it for profit.”\textsuperscript{120} NSI’s simple registration system allowed the proliferation of the cybersquatting phenomenon, with single entities often being responsible for the hijacking of dozens of famous trademark names.\textsuperscript{121}

[37] A related practice to this is referred to as “typosquatting,” which is the term used to describe a situation where someone will register a famous mark with misspellings, reversed letters, or other common typos built into

\textsuperscript{117} Simonyuk, supra note 33, at 1.
\textsuperscript{118} Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316 (9th Cir.1998).
\textsuperscript{119} See id. (describing Toeppen’s business practice of registering famous marks or names of companies and then selling the right to use those names to those companies for vast profits).
\textsuperscript{121} Jeremy D. Mishkin, Master of Your Own Domain - An Overview of the Anticybersquatting Consumer Protection Act, 18 COMM. LAW 3, available at http://www.abanet.org/forums/communication/comlawyer/spring00/mishkin.html (2000) (describing Dennis Toeppen the “poster child for the cybersquatter” because of his particularly poignant, numerous and blatant endeavors into cybersquatting, which have included registering domain names for over 100 registered marks, including Delta Airlines, Lufthansa, Neiman Marcus, American Standard and Eddie Bauer, and demanding as much as $15,000 for the rights to a domain name; see Panavision, 141 F.3d at 1316.
the domain name in an attempt to either (a) redirect the web surfer to the cybersquatter’s own website (rather than the consumer’s intended website), or (b) get the famous mark’s owner to pay you to redirect the mistyped web address to the famous web address.122

[38] A third problem that may occur with domain names is that more than one person may possibly have a legitimate claim to a domain.123 The seminal example of this is the Nissan case, wherein the Nissan car company (who was first in time to register their trademark) brought suit against a computer company of the same name, (after the owner’s surname) based on trademark infringement after it was found that they had registered domain names using the word “Nissan.”124 The Nissan court pointed out that, under the “likelihood of confusion doctrine,” the behavior of the Nissan computer company had resulted in consumer confusion for several reasons, including both initial interest confusion and actual confusion.125 The court found initial interest confusion because the Nissan name may have led a consumer to believe that this was a website for Nissan cars, and that alone is enough to find consumer confusion.126 The court then found actual confusion because of the fact that 90% of Nissan computer company’s revenue stemmed from visitors to the website clicking on automobile advertisements displayed on the website.127 Despite this, the court was careful to point out that there is a “judicial reluctance to enjoin use of a personal name” even when it apparently infringes on a trademark, but that it was still possible to limit the use with a “carefully tailored injunction.”128 These examples of abuses and confusion over domain names led to the need for new legislation. So,

123 Isenberg, supra note 20, at 231.
125 Id.
126 See, e.g., Interstellar Starship Servs. Ltd. v. Epix Inc., 184 F.3d 1107, 1110 (9th Cir. 1999).
127 Nissan, 89 F. Supp.2d at 1159.
128 Id. at 1162 (citing to the Ninth Circuit opinion E. & J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1288 (9th Cir. 1992)).
following these cases (most notably the *Toeppen* cybersquatting cases, as mentioned *supra*), Congress enacted anti-cybersquatting legislation in 1999 in the form of the Anti-Cybersquatting Consumer Protection Act (“ACPA”). The general notion behind this was that “without a legitimate use of a domain name, the rights to use a domain name should not exist.” In addition to this, the Internet Corporation for Assigned Names and Numbers (“ICANN”) adopted its Uniform Domain Name Dispute Resolution Policy (“UDRP”) in order to provide an “alternative to litigation in dealing with abusive domain name registrations.”

[39] The second special problem of trademark infringement on the Internet involves meta tags. Meta tags are essentially background information on webpages, not readily visible to the viewer of a webpage, that are used by search engines (such as Yahoo! and Google) to index the content of a website. They are most often thought of in terms of “key words” about the webpage. They are particularly useful in the sense that they allow a search engine to determine what website might most directly address a search query entered into it. They are categorized into four main species: resource type, key word, description, and distribution.

[40] For example, if a user types in “cook fish old bay” in an effort to figure out recipes for eating fish, any number of websites could be returned if they just contain the words “cook,” “fish,” “old,” and “bay.” Without meta tags, it’s certainly possible that a search engine could return a useful website; however, it would be just as possible for it to return a website containing the diary of Captain James Cook, who one day happened to make an entry in which he caught a large fish off of the Bay of Bengal when he was 37 years old. The problem here is obvious. However, employing meta tags, this mistake is much less likely to ever

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129 See generally *Toeppen*, 141 F.3d at 1316.
130 *Isenberg*, *supra* note 20, at 231.
131 *Papavasiliou, supra* note 122, at 108.
132 See *id.* (explaining that ICANN holds an exclusive agreement with the U.S. for the governing of the assignment of names and numbers on the Internet).
133 *Id.*
134 *Isenberg, supra* note 20, at 231.
135 *Id.* at 232.
136 *Id.*
happen. The website about cooking fish would have cooking terms, types of fish, methods of preparation, names of spices, etc., contained in the meta tags to give information about the focal points of the website; Captain Cook’s diary would have much different terms. The point of meta tags is to give more than the simple meaning to the words on the page, and instead give context.

[41] However, this brings up a whole new setting in which trademark infringement may occur. The use of registered marks in meta tags has often provided a basis to bring an offender into court. Some of the more famous examples involve the use of various “Playboy” trademarks in meta tag lines.\footnote{Isenberg, supra note 20, at 232.} Several cases have involved the use of both Playboy and the term “playmate” in a webpage meta tags.\footnote{See, e.g., Playboy Enter., Inc. v. AsiaFocus Int'l, No. 97-734-A, 1998 U.S. Dist. LEXIS 10359 (E.D.Va., Feb.2, 1998); Playboy Enter., Inc. v. Calvin Designer Label, 985 F. Supp. 1220 (N.D. Cal. 1997).} Another example involved an ex-playmate of the year, who was allowed to use the terms “playboy” and “playmate” in her website’s meta tags for fair use reasons.\footnote{Playboy Enter., Inc. v. Torri Welles, 7 F. Supp.2d 1098 (S.D. Cal. 1998).} Additionally, the state of the law on this subject has been settled in both the Seventh Circuit Court of Appeals\footnote{Promatek Indus. v. Equitrak Corp., 300 F.3d 808 (7th Cir. 2002).} and Ninth Circuit Court of Appeals,\footnote{Brookfield Communications v. West Coast Entertainment, 174 F.3d 1036 (9th Cir. 1999).} who have both recently ruled on the use of meta tags to infringe upon other entities’ famous marks. In the Seventh’s Circuit’s 2002 opinion, which involved a case of a company using its competitor’s name in its meta tags, it followed the same line of reasoning as the Ninth Circuit, holding that the “initial interest confusion” that consumers experience, whether or not it results in actual confusion once they are viewing the website, is adequate for the imposition of trademark infringement liability.\footnote{Promatek, 300 F.3d at 812 (citing Brookfield, 174 F.3d at 1062). The court emphasized the overriding importance of the “misappropriation of [the Plaintiff’s] goodwill,” citing to the prior-delivered Ninth Circuit decision, in which the court equated using
trademarks in meta tags to “posting a sign with another’s trademark in front of one’s store.”143 The Court went on to suggest that

[c]ustomers believing they are entering the first store rather than the second are still likely to mill around before they leave. The same theory is true for websites. Consumers who are directed to [a defendant’s] webpage are likely to learn more about [a defendant] and its products before beginning a new search . . . .144

The Promatek decision was later amended to state that meta tag usage by a defendant is only available when the infringing company is actually using the trademark in such a way that is “calculated to deceive consumers” into believing that they are in fact the infringe entity, or that they have some affiliation with it.145

[42] The third special problem resides in the use of hyperlinks (also known simply as “links”) on webpages. Hyperlinks are simply marked instances on a website, generally (though not necessarily) corresponding to text or graphics, which transport the Internet user to another webpage.146 Though hyperlinks have not specifically come under fire in an abundance of trademark litigation as of yet, they certainly have the potential for it. It has been alleged that hyperlinks can potentially cause trademark infringement problems in the form of “passing off, reverse passing off, and false advertising.”147

[43] The last special problem over the Internet involves something referred to as “framing.” Problems in framing basically stem from a website retaining its own content on a portion of an Internet user’s screen as the Internet user goes on to other webpages (thus creating a “frame” surrounding the second website).148 This particular problem has not yet had any extensive or dispositive case law around it. However, the most

143 Id. at 813 (citing Brookfield, 174 F.3d at 1064).
144 Promatek, 300 F.3d at 813.
145 Id. at 814.
146 Isenberg, supra note 20, at 232–33.
147 Id. at 233.
prominently publicized example is provided by the TotalNews case. A few years ago, the Washington Post and other newspaper publishers brought suit against an Internet news service called TotalNews on several grounds, claiming that TotalNews’ framing practices were injuring them. In this case, TotalNews was using framing technology to “display the news organizations' information on the TotalNews [website] and was surrounding the frames with its own advertising.” The plaintiff newspapers alleged that TotalNews’ practice amounted to trademark dilution and that the framing practice was likely to confuse users in that they would be led to believe that the source of these advertisements, etc., were in fact the plaintiff newspapers. TotalNews ended up settling the case with the plaintiff news organizations, the terms of which required TotalNews to stop framing the other news organizations’ websites without express permission. Because Washington Post v. TotalNews never went to trial, the issues presented in the case remain largely unresolved. However, some experts have argued that an analogy to a well-settled line of cases involving the “repackaging” of trademarked goods would serve as a strong suggestion that another challenge to framing, as in the TotalNews case, would result in an imposition of liability on the defendant for violation of trademark law.

B. APPLYING STEELE TO E-COMMERCE OVER THE INTERNET

[44] Stemming from the aforementioned special trademark infringement problems presented by the Internet (domain names, hyperlinks, meta tags, and framing, as well as typical infringement), the extraterritorial application of trademark law must be addressed. The first issue that must be addressed is whether Internet infringement ever actually reaches the

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150 This case was settled before going to trial when TotalNews agreed to discontinue its practice of framing. See id.
151 Id.
152 Id.
153 Id.
154 Id.
155 Id.
question of extraterritoriality. If an Internet user accesses a website from within the United States, regardless of whether the website’s base is in a foreign territory, it is at least arguable that the mark was used in the United States, thus negating the need for trademark law that reaches extraterritorially. If the “use” is in fact determined to be “domestic use,” then it may overcome the fact that either the “physical situs of the files containing the mark, the server hosting those files, or the individuals responsible for those files” exist in a foreign territory. Thus, the definition of “use” becomes critical.

This issue was first discussed in the case of Playboy Enterprises, Inc. v. Chuckleberry Publishing, Inc. (“Playboy II”). In a prior case (“Playboy I”), the Second Circuit Court of Appeals had granted an injunction enjoining Chuckleberry from using the confusingly similar mark “Playmen” for the distribution of their Italy-based magazine. Despite this, in a parallel suit brought to enjoin Chuckleberry’s use in Italy, the Italian court upheld the use of the Playmen mark. The events giving rise to this case occurred several years later when Chuckleberry published an Internet website for its magazine, again using the mark “Playmen,” based in Italy. Playboy brought suit for a violation of the injunctive order granted in Playboy I, citing that the worldwide nature of access to Internet website was clearly in violation of the court order. The court agreed, stating that the website equated to the circulation of a magazine (a “use”) within U.S. territory and ordered Chuckleberry to block U.S. access to the website.

156 Burk, supra note 18, at 728.
157 Id.
158 Id.
160 Playboy Enter., Inc. v. Chuckleberry Publ’g, Inc., (Playboy I), 687 F.2d 563, 571 (2d Cir. 1982).
161 Id. at 569 n.3.
162 Playboy II, 939 F. Supp. at 1032.
163 Id.
164 Id. at 1039-40.
[46] While this case seems to give us an answer regarding the question of applying an extraterritoriality doctrine, commentators have suggested that the decision should be taken with the understanding that the procedural context of the case may have been a determinative factor. Because the court was able to exercise jurisdiction over Chuckleberry based on the prior injunction issued in *Playboy I*, it is unclear whether the court would have found in personam jurisdiction in *Playboy II* if it were brought as an original action which directly challenged the use of the Playmen mark on a foreign website (as opposed to being based on a prior action on which jurisdiction was undisputed). Further, because the decision in *Playboy II* was rendered from a court sitting in equity for remedial purposes, it is unclear whether such a result would have been rendered in an original action. Since the issue in *Playboy II* centered on a prior injunction and not the Lanham Act, it cannot be wholly ascertained whether the court would have been able to apply the Lanham Act to this seemingly extraterritorial situation on the Internet.

[47] If it should turn out that the more decisive issue in *Playboy II* was the procedural context, in which case *Playboy II* does not support the notion that access on a computer located within the U.S. equates to a simple application of the Lanham Act, then it may still be possible to reach foreign defendants using the Lanham Act’s extraterritorial arms, as articulated in *Steele*. As mentioned, the *Steele* case essentially provided that, if confusingly similar marks are used, even if that use occurs entirely outside of U.S. territory, it can still be reached by the Lanham Act if it in any way effects U.S. commerce. Should any such questionably infringing activity take place over the Internet, it has been said that the worldwide nature of the Internet would lend to finding an effect on U.S. commerce.

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165 Burk, *supra* note 18, at 728-29.
166 *Id.* at 729.
167 *Id.* (stating that a court sitting in equity has wide latitude to issue remedies in order to reach a “just and fair result”).
168 *Id.*
169 *Id.*
170 *Steele*, 344 U.S. at 287.
[48] The *Steele* extraterritoriality doctrine could also apply similarly as it did in a case involving Levi-Strauss.\textsuperscript{172} In this case, a confusingly similar product to that of Levi-Strauss’ was sold from China, though never actually within the United States.\textsuperscript{173} Based on the fact that the quality of these goods could reflect poorly\textsuperscript{174} on the mark owner, the court applied the Lanham Act extraterritorially, in line with the *Steele* rule.\textsuperscript{175} Following the reasoning in *Levi-Strauss*, one commentator believes that this quickly translates to the realm of electronic commerce, wherein an American producer selling their goods over the Internet suffers injury (to reputation or otherwise) as a result of an infringer using a confusingly similar mark in a foreign territory, especially if the American producer has never before acted in that foreign market.\textsuperscript{176}

[49] The Internet provides an infinite thoroughfare by which the U.S.’s (and other States’) producers may market to the whole world. The prevalence of the Internet throughout the world breaks down many of the barriers encased within the *Steele* decision on the limits of applying the Lanham Act to foreign defendants. The issue that is presented is whether the Internet, coupled with the *Steele* interpretation of the Lanham Act, confers nearly limitless jurisdiction to the United States to enforce its trademark law on foreigners who may have otherwise never purposefully or even knowingly availed themselves to suit in U.S. courts. Corporations all over the world consider the Internet a literal \textit{sine qua non} for the operation of their business. The future (and present, for that matter) of the business world is e-commerce via the Internet. It is indispensable, for both tangible and digital goods and services.

[50] This presents the potential for U.S. trademark jurisdiction to expand far beyond what the Court could have ever imagined or intended in 1952 when it decided *Steele*. In the midst of the proliferation of e-commerce, the *Steele* rule has become dated, and its continued literal application may

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\textsuperscript{172} Levi Strauss & Co. v. Sunrise Int'l Trading Inc., 51 F.3d 982, 984 (11th Cir. 1995).
\textsuperscript{173} Id.
\textsuperscript{174} This has nothing to do with the quality of the product. When a trademark owner has no quality control over goods that may be mistaken for theirs, the law presumes an inferior product. \textit{See} id.
\textsuperscript{175} Id. at 985.
\textsuperscript{176} Burk, \textit{supra} note 18, at 731.
\end{flushleft}
lead to the U.S. interfering with the laws of other nations and international law.177 Additionally, the other side of that coin is that e-commerce’s proliferation may render it more possible for foreign trademark owners to reach U.S. infringers.178 More to the point, the notion of the simple publication of a website availing a foreign party to the jurisdiction of a United States or vice versa may become a harsh reality.

[51] Earlier, this article discussed the case of Person’s Co. v. Christman, involving the Japanese mark owner who had unsuccessfully sought to enjoin the use of a similar U.S. trademark because of the lack of effect on U.S. commerce.179 This decision remains well-reasoned; however, in the context of e-commerce, a court could very well reach a different decision.180 If the Japanese mark holder had a website on which the mark was displayed, it would tend to indicate an effect on U.S. commerce, as the website would make the mark more likely to reach the U.S.181 Additionally, just as the Internet makes it easier for the Lanham Act to reach foreign infringers of U.S. trademarks through Steele, “the prerequisites for enforcement against domestic infringers more often be satisfied in a networked world,” thereby potentially subjecting U.S. infringers to foreign laws.182

C. JURISDICTIONAL ISSUES

[52] All of this tends to create a slippery slope, at the bottom of which is the Internet universally dispensing with jurisdictional requirements in e-commerce. This is not a particularly appealing situation, as control and predictability are the bedrocks of our judicial system.183 Further, it has been said that the “current hodgepodge of case law is inconsistent,
irrational, and irreconcilable” when attempting to fit traditional jurisdictional analysis case law into the frame of the Internet.\textsuperscript{184} Therefore, the U.S. must take adaptive steps to avoid a total absence of standards for predicting jurisdiction in the Internet/e-commerce era. The Supreme Court has expressly pointed out that “as technological progress has increased the flow of commerce between States, the need for jurisdiction . . . has undergone a similar increase.”\textsuperscript{185} As the times change, so too must the jurisdictional tools of our judicial system develop in parallel to new technologies.\textsuperscript{186}

[53] A good place to begin the analysis is the Supreme Court decision in \textit{International Shoe}, which provides the basis of the United States’ personal jurisdiction jurisprudence:

\begin{quote}
[d]ue process requires only that in order to subject a defendant to a judgment in personam, if he be not present within the territory of the forum, he have certain minimum contacts with it such that the maintenance of the suit does not offend traditional notions of fair play and substantial justice.\textsuperscript{187}
\end{quote}

There are two categories of personal jurisdiction as applied to the Internet: general and specific. General jurisdiction refers to a state exercising jurisdiction over a defendant “regardless of whether the cause of action arose from the defendant's activities . . . .”\textsuperscript{188} It is tested by the standard of “continuous and systematic” contacts with the forum state.\textsuperscript{189} However, general jurisdiction has not as of yet been used as a justification for the exercise of jurisdiction “based solely on the existence of an Internet

\begin{footnotes}
\textsuperscript{185} Hanson v. Denckla, 357 U.S. 235, 250-51 (1958).
\end{footnotes}
website. Specific jurisdiction, on the other hand, is when a defendant’s acts specifically lead to the accrual of the cause of action in the state attempting to exercise jurisdiction. Specific jurisdiction would be applicable to the Internet when there exists “substantial contact with the forum” even in the absence of the “continuous and systematic” contacts required for general jurisdiction. Because specific jurisdiction does not require a defendant to actually be physically present in the forum state, it seems to be a more useful and preferred basis for determining Internet jurisdiction.

[54] There have been several cases dealing with personal jurisdiction over the Internet, and have been decided with varying reasoning and results. The standard has evolved to distinguishing between active and passive websites, as formatively articulated in the Zippo case. The court distinguished and classified websites as being either active, passive, or intermediate, based upon their level of interactivity:

[a]t one end of the spectrum are situations were 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 website which is accessible to users in foreign jurisdictions. A passive Web site . . . 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

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190 Gasparini, supra note 186, at 195.
191 Id.
193 Gasparini, supra note 186, at 195.
194 See id.
of the exchange of information that occurs on the website.196

[55] This test is easily applied at both ends of the sliding scale between active and passive; it is not until the middle of the scale is approached that it becomes difficult to distinguish between the websites.197 The courts that have decided Internet jurisdiction cases have typically required “something more” than mere Internet advertising in order to find a valid exercise of jurisdiction; this represents “the dividing line between the middle ground in the Zippo sliding scale.198 However, it is unclear what exactly that “something more” is and what factors are relevant to making this determination; most courts subscribe to the “something more” definition from the Asahi Metals case.199

[56] To address the jurisdictional issues that are called into question, it has been suggested that perhaps the Internet requires its own governance and jurisdiction, independent of territorial law.200 However, this is more of a fantasy than a workable reality for a number of practicality-based reasons.201 The most prevalent of these objections are that (1) “no one lives or works in cyberspace” and (2) no nation can reasonably be expected to agree to give up significant portions of their sovereignty to some newly conceived realm of existence.202 “The Internet medium differs from these other media in a variety of respects, but not so radically that a declaration of sui generis jurisdictional status is required.”203 Instead, a more reasonable and feasible alternative may be a new multinational treaty on the application of trademark law given the new “e” face of international commerce.204

196 Id. at 1124.
197 Gasparini, supra note 186, at 200.
198 Id.
199 Id. (noting two competing lines of thought among the current Supreme Court).
200 Burk, supra note 18, at 733.
201 Id.
202 Id.
203 Id.
204 See id.
IV. CONCLUSION: THE INTERNATIONAL INTERNET TRADEMARK TREATY

[57] Given the above inquiry into the nature of trademark law as it applies internationally, it appears that, while there is currently a regime in place for dealing with questions as dictated in Steele, that regime was written for an earlier age and may not necessarily adapt well to the Internet and e-commerce. It is true that the present regime for dealing with trademark law appears to successfully adapt to issues in domestic trademark that arise out of the Internet. However, it may be necessary to develop a new regime for the handling of international trademark law issues, specifically formulated to address the apparent borderless-ness of the Internet. Whether or not one chooses to agree with the ruling in Steele, it is in fact the current state of U.S. law as it pertains to the international reach of trademarks, Aramco notwithstanding. The difficulties encountered in the international application of the Lanham Act over the Internet presents an opportunity to thoroughly and meaningfully update the regime left behind by Steele, as has been suggested by critics.

[58] The growing trend seems to be toward a harmonization of international intellectual property law.205 Even experts who have argued for the benefit of not harmonizing intellectual property law for the potential positive effects it may yield in the marketplace have come down on the side of an international regulation regime for the enforcement of international trademark on the Internet.206 An international treaty toward this end, adopted with the hopes of protecting international trademark fairly and consistently, would be an ideal solution. The purpose of this harmonization would be to enable mark owners to predict with some certainty the legal outcomes of steps they may take in the use of trademarks, which will result in an ultimately better protection for mark holders all over the world. Additionally, such a harmonization would

205 Schechter, supra note 47, at 632 (pointing to the TRIPS agreement as evidence of a growing trend toward uniformity in international intellectual property law).
206 Burk, supra note 18, at 735 (suggesting that jurisdictions could potentially attract consumers and businesses by experimenting with variations in their intellectual property law regimes, but because of trademark’s radically different role than copyright and patent in the marketplace, a scheme of international regulation may prove to be more appropriate).
decrease the risk of loss to foreign and domestic market participants, as it promotes fairness in how it applies to those trademark holders.

[59] The Internet’s influence has brought the necessity for comprehensive international standards for trademark protection to a critical point, and regardless of which direction we go from here, the result must reflect the reality of our globalized commercial society. Any proposed solution that neglects to adequately address this reality is a failure on its face and will only serve to further complicate the issue.