



International Trademark Association

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International Trademark Association

New Criminal and Civil Enforcement Tools to Help Curb Online Fraud

**Before the Subcommittee on Courts, the Internet and Intellectual Property
Committee on the Judiciary
United States House of Representatives**

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I. Introduction

Good morning, Mr. Chairman. My name is J. Scott Evans. I currently serve as chairman of the Internet Committee of the International Trademark Association (INTA). I am a shareholder in the firm of Adams Evans, which is an INTA member. As do all INTA officers, board members and committee members, I serve on a voluntary basis. In addition to my volunteer service with INTA, I also volunteer as president of the Intellectual Property Constituency of the Internet Corporation for Assigned Names and Numbers (ICANN).¹ My appearance before the subcommittee, however, is only on behalf of INTA.

INTA is pleased to be here today to offer testimony in connection with this subcommittee's efforts to develop new criminal and civil enforcement tools to help curb online fraud.

II. About INTA

INTA is a 126-year-old not-for-profit organization comprised of over 4,300 member companies and firms. It is the largest organization in the world dedicated solely to the interests of trademark owners. The membership of INTA, which crosses all industry lines and includes both manufacturers and retailers, values the essential role that trademarks play in promoting effective commerce, protecting the interests of consumers, and encouraging free and fair competition. During the ongoing international debate on the running of the domain name system (DNS), INTA has served as the voice of trademark owners in the United States and around the globe, working to ensure that their trademarks are protected and, more importantly, that consumers have a safe and reliable choice in cyberspace.

III. The Whois Database

A. Whois and Uses By Trademark Owners

INTA is grateful to this subcommittee for its diligence in ensuring that trademark owners have the proper safeguards in order to protect their intellectual property in cyberspace. Measures such as the "Anticybersquatting Consumer Protection Act,"² have helped tremendously in curbing online bad-faith activity that harms not only trademark owners, but, more importantly, consumers who rely on trademarks to provide information that will enable them to make important decisions about the goods and services they purchase.

¹ "The Internet Corporation for Assigned Names and Numbers (ICANN) is an internationally organized, non-profit corporation that has responsibility for Internet Protocol (IP) address space allocation, protocol identifier assignment, generic (gTLD) and country code (ccTLD) Top-Level Domain name system management, and root server system management functions. These services were originally performed under U.S. Government contract by the Internet Assigned Numbers Authority (IANA) and other entities. ICANN now performs the IANA function." <http://www.icann.org/general/>.

² Pub. L. No. 106-113, § 3002, 113 Stat. 1501, 1537 (1999) (amending 15 U.S.C. § 1125).

Also, we are very pleased with your leadership, Mr. Chairman, in taking such a strong interest in the critical issue of ensuring the accuracy of contact data on registered domain names, which is typically known as “Whois.”³ Whois serves a vital role in preventing domain name fraud. Its uses include: law enforcement, consumer protection, and the protection of intellectual property rights. Only with access to accurate and up-to-date Whois data can the Internet be a safe environment that consumers can rely on with confidence. Trademark owners value Whois data in order to resolve domain name disputes (*e.g.*, cybersquatting), learn the contact details for owners of websites offering counterfeit products or other infringement of intellectual property, manage trademark portfolios, provide due diligence on corporate acquisitions, and identify company assets in insolvencies/bankruptcies.

Today, there are basically two types of Whois: (1) free, interactive, publicly accessible web-based Whois data that can be found by going to any domain name registrar’s website, finding the icon labeled “Whois,” “clicking,” and typing in a particular domain name; and (2) bulk Whois data that is the whole of a particular registrar’s database, which can be purchased from a registrar. Trademark owners use both types of Whois.

B. ICANN Whois Requirements

Since November 1998, the United States Government (USG) through a memorandum of understanding (MOU) has entrusted administration of the DNS to ICANN. Amendment 6 to the MOU was entered into on September 17, 2003, extending the relationship between the USG and ICANN for another three years.⁴

ICANN, upon its formation and as part of its initiative to expand the number of domain name registrars,⁵ crafted the Registrar Accreditation Agreement (RAA), a contract between itself and domain name registrars that addresses the obligations ICANN accredited registrars have with respect to domain names registered in the global top-level domain (gTLD) space.⁶ This includes the familiar suffixes of .com, .net, and .org, as well as gTLDs that were approved by ICANN in 2000: .info, .biz, .name, .pro, .museum, .coop, and .aero. In particular, the RAA requires that ICANN accredited registrars have all of their registrants enter into an agreement wherein each registrant “shall provide to Registrar accurate and reliable contact details and promptly correct and update” those details during the term of the registration.⁷

³ See, *e.g.*, Letter from Chairman Smith and Ranking Member Berman to Secretary of Commerce Donald Evans regarding developments that affect the operation of the Internet, August 8, 2003 (“[I]t is vitally important to ensure public access to online systems like Whois.”); Oversight Hearing on *Internet Domain Name Fraud - the U.S. Government’s Role in Ensuring Public Access to Accurate Whois Data*, September 4, 2003.

⁴ See http://www.ntia.doc.gov/ntiahome/domainname/agreements/amendment6_09162003.htm.

⁵ Today there are approximately 167 ICANN accredited registrars from 25 countries. <http://www.icann.org/registrars/accredited-list.html>.

⁶ RAA, at <http://www.icann.org/registrars/ra-agreement-17may01.htm>.

⁷ *Id.* at para. 3.7.7.1.

C. Problems with Whois Accuracy

Unfortunately, despite the RAA requirement that registrants provide “accurate and reliable contact details,” trademark owners have for many years been encountering instances of blatantly inaccurate or missing data often from fictitious entities listing false addresses, as well as information that is simply out of date. These are just a few examples of bad data that trademark owners have recently come across:

- (1) In a Uniform Dispute Resolution Policy (UDRP)⁸ case involving the cybersquatting of www.nhlpenguins.com, the individuals listed as administrative and technical contacts for the contested domain name, Allen Ginsberg and Charles Bukowski, respectively, are the names of deceased poets from the American “Beat Generation.” The contact address listed in the Whois records was the Russian Institute of Physics and Power Engineering in a town 100 kilometers south of Moscow.⁹
- (2) When attempting to track down the registrant of www.wwwsportauthority.com, the Sports Authority found that the name of the registrant was replaced with a pornographic phrase.
- (3) The domain name www.kodakphotospot.com, was listed by its owner as being for sale, does not provide an owner, administrative, or technical contact address.
- (4) Intel Corporation discovered that a cybersquatter registered the domain name www.intel64fund.com. (The Intel 64 Fund is a quarter billion dollar equity investment fund that invests in certain technology companies.) The domain name linked to a pornographic site. The Whois information provided by the registrar listed “Buy This Name” as the owner. Also, in a dispute involving www.pentium.org, Intel found that the registrant's address listed in the Whois database was a P.O. Box without a P.O. Box number.
- (5) In attempting to track down the owner of www.Nokia-uk.com, Nokia, the mobile communications company, found that the domain name was registered in the name of: “European Distributor, Nokia UK Limited, Nokia Venture Partner, GB-Farnborough, GU14 0NG.” The domain name was used to send emails falsely representing that the sender was from Nokia. Anyone checking the Whois directory would have believed the owner of the domain name to be Nokia UK Ltd., which is based in Farnborough, UK.
- (6) For the domain name www.harleydavidsonmotorcompany.net, counsel investigating the ownership of the name found the telephone and fax numbers were listed as “+1.1111111111” in the Whois database.

⁸ “All ICANN-accredited registrars follow a uniform dispute resolution policy. . . . In disputes arising from registrations allegedly made abusively (such as ‘cybersquatting’ and ‘cyberpiracy’), the uniform policy provides an expedited administrative procedure to allow the dispute to be resolved without the cost and delays often encountered in court litigation.” <http://www.icann.org/general/glossary.htm#U>.

⁹ *National Hockey League And Lemieux Group Lp v. Domain For Sale*, IPO Mediation and Arbitration Center, Administrative Panel Decision Case No. D2001-1185.

- (7) Internet services company Verio discovered that the registrant for the domain name www.1verio.com was “sunshinehh.” The listed email address, which was f@hotmail.com, was not operative, and attempts to send email to it resulted in a bounce back.¹⁰
- (8) Investigating the domain name www.amazonshopper.com, Amazon.com found that the domain name registrar had accepted the registration even with the registrant listing most of the contact information as “unknown.” The telephone number for the administrative contact was listed as “+1.1234567891.”
- (9) When Nintendo attempted to track down the registrant of a domain name that corresponded to one of its popular Pokémon characters, www.gyrados.org, it found that contact fields in Whois were filled with nonsense, such as “asdasdsdaasdsa.”
- (10) In an attempt to track down the owner of a website that was selling unauthorized “USO Care Packages” online, the United Service Organizations (USO) found that the Whois information listed an address in the Faeroe Islands (between Iceland and Norway, administered by Denmark). This address was not real. The USO has thus far been unable to locate the registrant. As a result, there remains potential consumer confusion and potential loss of goodwill for the USO if the “care packages” contain goods of inferior quality.¹¹

Other examples of bad Whois data have included addresses like “Small Wok Way, Chopsticks Town, WI 00000” and “1412 Darth Ave., Vader, CA 93702,” and domain name registrants listed as “Nuclear Marshmallows” and “Thurston Howell III,” a character from the television show “Gilligan’s Island.”¹² One might consider these blatantly false Whois entries as amusing.¹³ But, the truth is, they cost brand owners a great deal in terms of time and expense, and they put consumers at great risk.

Supposedly, there is a means for addressing these flagrant violations of the RAA. Paragraph 3.7.8 of the RAA stipulates:

Registrar shall, upon notification by any person of an inaccuracy in the contact information associated with a Registered Name sponsored by Registrar, take reasonable steps to investigate that claimed inaccuracy. In the event Registrar learns of inaccurate contact information associated with a Registered Name it sponsors, it shall take reasonable steps to correct that inaccuracy.

¹⁰ <http://arbitrator.wipo.int/domains/decisions/html/2003/d2003-0255.html>.

¹¹ See <http://www.all-worlds-shopping.com/gifts&flowers/care%20packages/uso-care-packages.htm>. Whois information at <http://www.betterwhois.com/bwhois.cgi?domain=all-worlds-shopping.com&x=42&y=15>.

¹² *U.S. Franchise System v. Thurston Howell III*, National Arbitration Forum, Claim Number: FA0303000152457, at <http://www.arb-forum.com/domains/decisions/152457.htm>.

¹³ “The Professor’s scientific prowess is not in dispute in this case, yet the Panel doubts that he would be able to create a means of accessing the Internet from little more than coconuts and knowledge of the type of technology that existed decades ago. Respondent can obviously afford to register a domain name; what is doubtful is the means (or desire) to do so from an uncharted desert isle.” *Id.* at fn. 1.

Registrars also have the authority to cancel domain name registrations that are based on false contact data or whose owners do not make a timely response to an inquiry about allegedly false data. Paragraph 3.7.7.2 of the RAA stipulates:

A Registered Name Holder's willful provision of inaccurate or unreliable information, its willful failure promptly to update information provided to Registrar, or its failure to respond for over fifteen calendar days to inquiries by Registrar concerning the accuracy of contact details associated with the Registered Name Holder's registration shall constitute a material breach of the Registered Name Holder-registrar contract and be a basis for cancellation of the Registered Name registration.

Regardless of these provisions, many accredited registrars have been lax in investigating and cleaning up registrations with false Whois data. The problem of inaccurate Whois data and the failure on the part of domain name registrars to ensure reliable data has reached the point that many trademark owners no longer seek assistance from the domain name registrar. It is simply too time consuming and there is little prospect of positive results. Instead, trademark owners are forced to hire private investigators, sometimes at considerable expense, to obtain the accurate contact data.

Trademark and copyright owners have repeatedly drawn ICANN's attention to the problems with respect to inaccurate Whois data.¹⁴ There is, however, only one reported instance in which ICANN has advised a domain name registrar that it was in violation of the RAA's Whois provisions, specifically paragraph 3.7.8, and threatened to terminate the registrar's accreditation.¹⁵ Beyond this one case, we are not aware of any other time whereby ICANN has sought to enforce the Whois accuracy provisions of the RAA.

D. DOC/ICANN MOU Amendments

There have been some recent attempts by ICANN to begin to address the problem of inaccurate Whois data. For example, thanks in large part to the efforts of this subcommittee, Amendment 6 to the MOU, which I referenced earlier, includes a requirement that ICANN, "Continue to assess the operation of WHOIS databases and to implement measures to secure improved accuracy of WHOIS data,"¹⁶ as well as, by

¹⁴ In addition to the problems associated with accuracy, it should also be noted that trademark owners continue to have problems with respect to registrars granting accessibility to bulk Whois data. *See, e.g.* Letter from Jane Mutimear, then-president of the ICANN IPC to ICANN's then-general counsel Louis Touton, May 1, 2003, at <http://www.icann.org/correspondence/mutimear-to-touton-01may03.htm> ("Denial of such access is a violation of the RAA, something that falls squarely within the purview of ICANN's enforcement responsibilities."). We understand, however, that accessibility is not the focus of this hearing, but nonetheless want to state that accessibility remains of equal concern to INTA members.

¹⁵ Letter from Louis Touton to Bruce Beckwith, *Notice of Breach of ICANN Registrar Accreditation Agreement*, September 3, 2002, at <http://www.icann.org/correspondence/touton-letter-to-beckwith-03sep02.htm>.

¹⁶ This includes a requirement that ICANN "publish a report no later than March 31, 2004, and annually thereafter, providing statistical and narrative information on community experiences with the Whois Data Problems Reports system." To date, INTA has not seen any increased effort by ICANN to publicize this system in order to collect data.

December 31, 2003, develop a strategic plan that includes a review and augmentation of ICANN's corporate compliance program, "including its system for auditing material contracts for compliance by all parties to such agreements."¹⁷

IV. Legislative Options

Once again, despite what appears in "black and white" in the MOU and the RAA, as well as repeated pleas by the intellectual property community, we have not seen any concrete steps by ICANN or domain name registrars to improve Whois accuracy. INTA therefore, supports your efforts, Mr. Chairman, as well as those of Ranking Member Berman, to try and develop new statutory tools that will help accomplish this goal. The subcommittee staff has recently shared with INTA the "Fraudulent Online Identity Sanctions Act," which would add a new Section 35(e) to the Lanham Act to make a violation specified in that section (*i.e.*, infringement, dilution, counterfeiting, and cybersquatting) "willful" if it is committed in connection with an online site and with the provision of false registrant contact data. Proof of willfulness would permit a judge to impose higher monetary penalties against a defendant.

While INTA is currently in the process of reviewing the proposed approach and language in the "Fraudulent Online Identity Sanctions Act," particularly with regard to the broader implications for trademark law generally of expressly identifying one type of willful misconduct in the statute,¹⁸ we believe that the subcommittee is moving in the right direction in pursuing the concept of greater penalties against those who provide false Whois data. INTA, therefore, would very much like to work closely with this subcommittee and its staff to develop statutory language that will command the most support.

V. Conclusion

Thank you for the opportunity to testify. Where accurate Whois information has been provided, trademark owners can often amicably resolve problems quickly and without the need to resort to legal proceedings, and the interests of consumers are well served. INTA looks forward to working with this subcommittee to strengthen the safety and reliability of the DNS and, in particular, to improve the accuracy of Whois data.

¹⁷ MOU, Amendment 6, Article II (C)(10) & 14(d), at http://www.ntia.doc.gov/ntiahome/domainname/agreements/amendment6_09162003.htm

¹⁸ The question of what is a "willful" act under trademark law remains a subject of debate. *See, e.g.*, Koelemay, "A Practical Guide to Monetary Relief in Trademark Infringement Cases," 85 Trademark Rep. 263, 270 (1995) ("Those courts that retain a scienter requirement have not defined 'bad-faith' or 'willfulness' consistently. These cases have ranged from holding mere knowledge of the plaintiff's mark sufficient, to requiring a deliberate intention to infringe and to trade on the plaintiff's goodwill.") (Citations omitted).

House Rule XI Disclosure

Pursuant to House Rule XI, clause 2(g)(4), the subcommittee is hereby informed that the International Trademark Association has received no federal grant, contract, or subcontract in the current and preceding two fiscal years.

J. SCOTT EVANS

J. Scott is a shareholder in the Charlotte intellectual property law firm of Adams Evans P.A. J. Scott received his undergraduate degree from Baylor University and his Juris Doctor *cum laude* in 1992 from Louis D. Brandeis School of Law at The University of Louisville, where he was a member of The Louis D. Brandeis Honor Society and President of the Moot Court Board. Prior to joining the Adams Evans, P.A., Mr. Evans served as Corporate Counsel for Fruit of the Loom where he was responsible for managing the international intellectual property portfolios for Fruit of the Loom and its associated companies The B.V.D Licensing Corporation, Gitano, Pro Player and Salem Sportswear, Inc. J. Scott joined Adams Evans in 1996 and continues to concentrate his practice in the areas of trademark, copyright, unfair competition and Internet law. J. Scott is a member of the Mecklenburg County Bar Association, the North Carolina Bar Association- Intellectual Property Section, the North Carolina State Bar, the Bar of the Commonwealth of Kentucky, the American Bar Association and the International Trademark Association (INTA). J. Scott assisted an *ad hoc* committee consisting of Network Solutions, Inc., new registrars such as Registrar.com and Internet service providers like AOL in developing a draft Dispute Resolution Policy and Model Rules of Procedure which were presented to the Board of Directors for the Internet Corporation for Assigned Names and Numbers ("ICANN") at its meeting in Santiago, Chile in July 1999. J. Scott then served on the five member small drafting committee that assisted the ICANN staff with the drafting of the Uniform Dispute Resolution Policy ("UDRP") and the Rules of Procedure for the UDRP that were adopted by the ICANN Board of Directors in October of 1999. J. Scott is a Chair of INTA's Internet Committee and is President of the Intellectual Property Constituency ("IPC"), one of the seven constituencies that assist ICANN's Domain Name Supporting Organization in developing policies for domain name. J. Scott represented the IPC as a member of the Names Council until June 2003 and he frequently lectures on trademark and Internet policy issues as well as domain name dispute resolution.