

Bright Ideas

A publication of the Intellectual Property Law Section
of the New York State Bar Association



Message from the Chair

This may well be the year of intellectual property. The courts have issued decision after important decision that affects not only inventors acting in highly specialized fields, but anyone who listens to music or reads books. *Napster*, *Festo*, *Traf-Fix*, and many other key decisions will long affect what we listen to and look at, and whether and how we can earn revenues from intellectual property. Mirroring this burst of activity, the Section's year has been filled with outstanding programs. Our January meeting was the best attended ever—over 200—and brought us insights from the Register of Copyrights, the Patent Office, the Department of Justice, and, for the first time ever, a Chief Privacy Officer, as well as from outstanding practitioners. Many thanks to Program Co-Chairs Ray Mantle and Charlie Miller for putting together a terrific program. We also co-sponsored with St. John's Law School a fascinating program on the "battle" between copyright law and trademark law as means of protecting cartoon characters. Marie Elena First and Juan Gonzales took the lead on this outstanding program. By the time you receive this, we will have co-sponsored with Fordham Law School a panel Peter Sloane has worked to put together on developments in trademark law and practice. And on May 23, following up on a well-received segment of the January meeting, we will put on a two-hour program at Cardozo Law School on Ethical Issues Arising in Intellectual Property Law. We are pleased to have Lisa Dolak, a returning speaker from Syracuse Law School, joining us along with Gary Munneke, from Pace University Law School, Neal Baumgarten and Jonathan Rosner. Phillip Furgang will be chairing this event, which should prove to be not only useful, but quite entertaining. You may recognize yourself in some of our scenarios.



Looking ahead, we will be sponsoring Bridging the Gap programs both in New York City and upstate, and planning is already well underway for the Sagamore 2001 meeting. Please be sure to save the dates: October 12th and 13th, peak leaf season. Our theme this year is "Intellectual Property in Flux: Current Issues and Their Impact on Business and Practice Worldwide." Recognizing that much of intellectual property law is currently in a state of evolution, we will be creating opportunities throughout the weekend for panelists and the audience to debate some of the emerging solutions. If you have speaker suggestions, please let our Co-Chairs, Marc

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Lieberstein and Robert Greener, know and they will try to incorporate them, now or at a future event.

Future events are in the planning stages. If you'd like to help, or have suggestions for topics, please let me or any of the other executive committee members know. Many of our committees also sponsor lunch discussions on emerging issues. We are also co-sponsoring with Cardozo Law School a series of talks on intellectual property law issues.

Our activities are designed to benefit not only Section members, but the public at large. We have been asked by the General Accounting Office, for example, to assist in determining whether existing state remedies provide adequate protection against possible encroachment on intellectual property rights by state agencies and entities. The effort is a response to the decision in *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*, 527 U.S. 627 (1999) that Congress had not demonstrated that patent infringement by states was a widespread problem or that the states lacked adequate remedies for patent holders who believed their patents had been infringed. If you have

comments you would like to share with the GAO, please let any of our Executive Committee members know and we will pass them on.

One final event merits your special attention: our annual student writing competition. The event, sponsored by Thomson & Thomson, always attracts superb contributions. We hope that if you are a law student, you will enter, and that if you are not, you will pass the word. Entries are due no later than June 30, 2001, and should be submitted to Walter Bayer, at walter.bayer@corporate.ge.com and me. First prize is \$2,000, Second prize is \$1,000, and the winners will be invited to attend our Fall Meeting at Lake George.

For those of you who are not law students, we hope you will contribute articles, briefs, forms, and other items of interest to intellectual property lawyers and owners to Jonathan Bloom for inclusion in *Bright Ideas* or on our Web site. This issue brings together a number of thoughtful articles on domain names here and abroad. We look forward to your contributions.

Victoria A. Cundiff

Thank You

The Intellectual Property Law Section extends its gratitude to the following firms, as well as THOMSON & THOMSON, INC., for their significant sponsorship over the past year:

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Domain Names and Trademarks: Recent Developments in the European Union

By Tim Majka and Karla Lemanski-Valente

I. Introduction

The Internet has redefined international boundaries and created new opportunities for companies to capitalize on the global marketplace. The global e-commerce potential for non-U.S. e-commerce is expected to grow from \$167.1 billion in 2000 to \$3.4 trillion in 2004,¹ and this brings with it an increased awareness of the potential benefits an early global strategy can bring to businesses. The European Union (the "EU"), in particular, is facing incredible growth. For example, in the year 2000, six of the top ten Information Technology countries in the world belonged to the EU, with Sweden being number one in the world.² This is the first time that any nation has moved ahead of the United States.

Even with the exploding growth rate of international e-commerce, many U.S. companies are only slowly waking up to the importance and value of registering Internet domains internationally and developing a global presence. Part of this awakening is a direct result of increased awareness of the limitations of the Internet with respect to intellectual property protection. However, companies seeking to extend their domain name protection worldwide face the challenge of complying with the differing legal requirements from country to country.

This article discusses the importance and some of the challenges of Internet domain registrations in the EU and the role trademarks play in helping companies qualify for domain name protection as well as in resolving intellectual property conflicts within the region.

II. Why Register a ccTLD?

Domain names fall into two classifications: (1) generic top-level domains³ (gTLDs)—.com, .net, and .org—that have a worldwide market, and (2) country code top-level domains (ccTLDs)—e.g., .de for Germany and .it for Italy—that have a localized market. Currently there are about 248 ccTLDs available throughout the world.⁴ While gTLDs—particularly .com domains—are the most common choice for U.S.-based companies, ccTLDs are the domain category of choice for foreign companies. As of September 31, 2000, of the 32.8 million gTLDs and ccTLDs registered, 8.9 million were ccTLDs. Of all ccTLDs, the EU represented the most widely registered domains. In Germany, for instance, there are currently almost 4 million domain registrations.⁵

The primary reasons for a company to own ccTLDs include: (a) localized marketing, (b) increased search engine performance, (c) uniform global branding, and (d) intellectual property protection against cybersquatting and anticompetitive practices. Localized domain names play an integral role in international online marketing success. International ccTLDs provide a foundation for localized content (yahoo.de contains news articles relevant to Germany), local customer service (consumers prefer a local customer service department in the local language and time), local inventory (a book store with a .de domain in Germany will be selling books in German), local shipping (overseas shipping is costly and time consuming), and local currency acceptance.

Because of the localization preference, most foreign residents use search engines that correspond to the appropriate ccTLD. Unfortunately for most U.S. corporations, these search engines present an initial foreign market barrier by filtering the search results by language and prioritizing by local country code. Therefore, .com domain names often are not included in their search results. For example, if a Danish user submits "bøg" (the Danish word for book) in the leading search engine in Denmark, neither Barnesandnoble.com nor Amazon.com will appear in the search results. The search results are limited to .dk domain names.

International ccTLDs also improve international brand name recall and recognition. For example, when Dell started marketing directly to consumers in France, it did not market itself as ".fr." Instead, it set up a local site, "Dell.fr," and started using this brand in its marketing and advertising materials. Thus, French-speaking consumers in France have an immediately recognizable Internet destination in "Dell.fr," just as English-speaking consumers in the U.S. have "Dell.com." This branding technique permits companies to be known throughout the world as one uniform brand.

Registering ccTLDs also helps companies protect their brand from cybersquatting, cybercloning, and other anticompetitive practices. Cybersquatting occurs when a domain name is registered by a third party in bad faith. Most major companies around the world have recently found themselves the victim of cybersquatters and have had to resort to litigation and arbitration proceedings to win back their rights. Additional problems arise when a competitor registers its rival's ccTLD to block the rival

from entering the market or when a foreign company cyberclones a popular brand by copying the business plan and registering the same or a similar domain name using the appropriate ccTLD.

Examples include the case involving the domain name “,” which ebay.com lost to its French competitor, Forum On The Net, a subsidiary of Ibazar.⁶ The court based this ruling on a French law that allows two non-competing organizations to have the same trade name. Although Forum On The Net is a competitor of eBay, the domain name “ebay.fr” was actually registered under Ibazar, which the court found not to be a competitor of eBay. Thus, the court ruled that Ibazar could continue to own the domain name “ebay.fr.” eBay was then forced to enter the French market using the domain name “ebayfrance.com.” An interesting development in this case is that in February 2001, just a few weeks after the court decision, Ibazar was acquired by eBay in a deal worth over \$100 million.⁷ Another example of cybersquatting is the Greek case involving the domain names “Amazon.gr” and “Amazon.com.gr,” where the Greek Provincial Hearing of Syros found that the small Greek firm holding the names intentionally misled consumers into believing that they were operated by Amazon.com.⁸ These cases could have been avoided had Amazon and eBay taken steps to register these domain names before their competitors.

III. Registering Domain Names in the European Union

Countries are divided in two groups with respect to domain name registration: *unrestricted*—those that allow anyone from anywhere to register based on the “first come, first served” principle (unrestricted European Union countries are Denmark, Switzerland, UK, Austria, and Belgium), and *restricted*—those that require some sort of local presence such as local trademarks, local tax ID number, local company, local administrative or billing contact, etc. (restricted EU countries are Sweden, Finland, the Netherlands, Germany, France, Italy, Greece, Luxembourg, Portugal, and Spain).

Currently, within the restricted EU countries, there are several approaches to whether trademark rights should be extended to domain name registrations. In Greece (.gr and .com.gr), Spain (.es), and Ireland (.ie), for example, an applicant can use either a community trademark (CTM) or a local trademark registration to qualify for a domain name allocation. In Iceland, an Icelandic trademark but not a CTM can be used to qualify for the .is extension. Portugal (.pt) and Finland (.fi) also accept a trademark to qualify for domain name allocation, but, in addition to the trademark, require the applicant to pro-

vide the registries with a local tax ID supporting documentation.

France and Sweden present interesting approaches to trademark use for domain name allocation. In both countries, a trademark cannot be used to qualify for the major domain name extensions—i.e., .fr and .com.fr in France, and .se in Sweden. However, both countries have created special sub-domains for applications based on trademarks. In France, a trademark owner seeking a domain name registration and not owning a local tax ID⁹ can obtain the “.tm.fr” extension. In Sweden, the trademark owner is entitled to “.tm.se.”

Certain countries within the EU, such as Luxembourg and Italy, do not require that the domain name registrant own a trademark, however, they do require applicants to represent that the domains do not violate third-party intellectual property rights. In Italy, for example, the applicant makes these representations by signing a “Responsibility Letter.”

IV. Domain Disputes in the European Union

Domain names themselves have not been afforded intellectual property protection but, rather, are perceived as a right granted to the domain registrant under contract between the registrant and the relevant domain name registration authority.¹⁰ The registrant of a domain name is merely given a contractual right to use the domain name. Thus, the registration of a domain name in and of itself does not confer intellectual property rights, such as trademark rights, to the registrant. Nevertheless, in certain cases, parties owning trademarks within the country where the dispute takes place can use trademark law to seek protection against cybersquatters.¹¹

While the gTLDs are governed by the Uniform Dispute Resolution Policy (UDRP), which provides for the online arbitration of disputes through the World Intellectual Property Organization (WIPO) or another approved provider, most domain name registries in the EU do not offer dispute resolution services and instead rely exclusively on the courts to handle disputes.

In December 2000, Belgium changed its domain name registration policy from restricted to unrestricted and also instituted mandatory alternative dispute resolution for domain name disputes. The mandatory dispute resolution process is similar to the UDRP in that proceedings are conducted online. A complainant must prove that: (a) the registrant’s domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; (b) the registrant has no rights or legitimate interests with respect to the domain name; and (c) the registrant’s domain name has been reg-

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istered in bad faith or is being used in bad faith.¹² Like the UDRP, the arbitration is conducted through a third-party arbitration provider, and the arbitrator has the power to cancel a domain name or to have it transferred to the complainant.

Greece is another country in which the registry¹³ has provided an expedited method for parties to resolve disputes. However, unlike Belgium, the registry in Greece will become involved actively in helping the parties reach a settlement. If the parties cannot reach a settlement, the National Telecommunications Committee (NTC), which oversees the domain name registry, has the power to resolve the dispute. Also unlike Belgium, there is no established policy or guidelines for the NTC in resolving disputes. Where no compromise can be reached, the NTC makes an official ruling. Interested parties reserve the right to take their case to court if they think that their interests or rights are being violated. Italy takes another approach and gives the registrant the option at the time it submits its domain name application to agree to have any disputes resolved by amicable arbitration.¹⁴

Some registries, while not arbitrating disputes, may offer services to help registrants. In the UK, for example, the domain registry, Nominet, provides a dispute resolution service whereby the disputing parties are encouraged to achieve a mediated resolution. If an agreement is reached, then it will create a contract enforceable in law. If the parties cannot come to an agreement, their only recourse is through the courts.

In Luxembourg and Switzerland, the registries, like most in the EU, do not decide disputes but may issue warnings in cases of obvious possible domain name conflicts or when a name is likely to conflict with another name, trade name, trademark, or service mark. However, the registry has no obligation to issue such warnings. The registry may, at its own discretion, interrupt the registration until the entity seeking registration submits a written confirmation from the holder of the conflicting name, trade name, trade mark, or service mark confirming that the application is valid and that it is acceptable to the name/mark holder.

Due to lack of dispute resolution policies throughout the EU, if not the world, WIPO held a conference in February 2001 where it issued the "WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes." In this report, WIPO called for ccTLD administrators to require better identification of companies and individuals that register domain names and mandatory dispute resolution procedures. WIPO urged domain registries to adopt a dispute resolution policy similar to the UDRP. It is expected, though, that if

WIPO's recommendations are implemented, it could be years before the EU has a unified dispute resolution policy.

Since most registries throughout the EU do not offer a dispute resolution process, a party must seek relief in court to protect its rights against cybersquatters. As in the United States, courts in Europe typically apply trademark law and laws relating to unfair competition and passing off to decide such cases. Throughout the EU, bringing a trademark infringement claim typically is the best choice, especially with the implementation of Council Directive 89/104/EEC, which has harmonized the definition of trademarks and defined infringement situations. Courts throughout Europe, like those in the United States, have typically found that the use of a domain name that is identical or substantially similar to a trademark constitutes trademark infringement if used in bad faith or in connection with the sale of competing products and will permit the trademark holder to obtain injunctive relief.

However, European courts do not agree on whether the act of registering a domain name without putting up a Web site or offering the domain for sale constitutes trademark infringement. Relevant cases include *British Telecommunications plc. v. One In A Million Ltd.*, where the British Court of Appeal found that the act of registering well-known names and trademarks was grounds for trademark infringement, even though the domains were inactive and the registrant did not offer to sell the domain names.¹⁵ Thus, in the UK, the owner of a well-known brand or mark can take action against a cybersquatter as soon as it knows that the registration of an infringing domain has taken place. Italy has also extended such rights to situations where a name or mark has a reputation (*rinomanza*) in Italy, allowing the owner of a well-known mark to obtain an infringement ruling against a party attempting to register a domain name.¹⁶ On the other hand, in the Danish "Beologic" case, the Municipal Court of Copenhagen found that the mere registration of domain names or the offer to resell them did not violate trademark law, since the defendant was not "doing business" under the marks. The court did find, though, that the defendant violated the Marketing Act, which forbids "unfair marketing" and common law conversion.¹⁷

Some countries have enacted or are in the process of enacting new legislation to deal with cybersquatting issues. This past April, the Italian government responded to the cybersquatting phenomenon with the Bill No. 4564 on "Use of names for identification of domain names and network services." The bill provides rules for using domain names and prohibits the registration of domain names corresponding to names, trade names, or trade-

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marks already in use by third parties due to potential confusion of the general public. In cases of infringement, the domain name is cancelled, and damages can be awarded to the plaintiff.¹⁸

V. Recommendations

Although most courts in the EU will protect trademark owners from cybersquatters—particularly when well-known marks are involved—litigation can take months, if not years, to resolve and can cost thousands of dollars. Accordingly, we recommend incorporating ccTLD registrations into your overall company identity or brand-protection strategy. In the event a foreign company has registered ccTLDs in the EU and plans to use the domain names, it is also important that it conduct a trademark search and register their marks to prevent later third-party infringement claims.

The following are some additional recommendations for optimizing your company's or client's international online initiatives:

1. Develop a comprehensive international intellectual property strategy by registering domain names and trademarks throughout the major markets, if possible, being sure to register your domain names as trademarks.
2. Before registering ccTLDs in the EU, first check to see if your existing trademarks can be used to qualify for the domain name registrations.
3. Incorporate international domain name registrations early into business plan development as part of your foreign market entry strategy.
4. Protect your client's brands on the Internet by registering domain names around the world. Start with the most important e-commerce markets or countries where your company or client has a trademark, supplier, or potential partner.
5. Reserve new brand names prior to press releases concerning mergers, acquisitions, and new product developments to secure your company's or client's corporate identity.
6. Use professional services. The cost, time, and technical structure required to learn and comply with local requirements requires professional expertise.
7. Develop a strict enforcement program to monitor and respond to domain name registrations that infringe your trademarks.

2. The top ten IT countries (in order of importance) according to International Data Corporation (IDC) and World Time Survey 2000 are Sweden, the United States, Finland, Norway, Denmark, Canada, the Netherlands, Switzerland, Australia, and Japan.
3. Recently ICANN (Internet Corporation for Assigned Names and Numbers) has approved new gtlds, including .biz, .info, .pro, .museum.
4. Not all of the ccTLDs are active.
5. Denic—German Registry; <http://www.denic.de>.
6. Paris Court of Appeal, December 2000.
7. Cecille Daurat, *eBay Will Expand Auction Site to France*, Bloomberg News, Apr. 20, 2000. Ebay recently acquired Ibazar in a deal worth \$103 million. *eBay Buys European Rival*, Haymarket Business Publications, Feb. 22, 2001.
8. Provincial Hearing of the Island of Syros, Civil Room, No 673/1999. See commentary on the case by Apostolos Anthimos, Salomica, at <http://www.dominiuris.com/casos/grecia.htm>.
9. In France, for instance, to qualify for a .fr, the applicant must submit INSEE (*Certificat D'identification au Repertoire National des Entreprises et de Leurs Etablissements*).
10. The reasoning is often based on the domain naming system, whereby domain names are merely an alphanumeric translation of the numeric IP addresses necessary to identify and locate computer hardware (i.e., a server) hosting a Web site. The system of using these alphanumeric domain names was first introduced in 1984, when the Internet was still used mainly for research purposes. Since numeric IP addresses consist of a string of numbers (arranged in four bytes with a dot separating each byte) that is not easy to remember, the inventors of the domain name system sought to create an easy way for people to remember and locate a server.
11. Typically, parties seeking to enforce their trademark rights against a cybersquatter need to have trademark registrations within that particular country, but some courts allow exceptions for well-known marks. For example, some countries (e.g., France) now protect marks even if they are not registered if they have gained notoriety through use or if they are simply well-known under article 6 of the Paris Convention.
12. DNS BE—The Belgium Registry; <http://www.dns.be>.
13. Foundation for Research and Technology Hellas Institute of Computer Science (ICS-FORTH).
14. Italian Registration Authority; <http://www.nic.it>.
15. *British Telecommunications v. One in a Million*, Court of Appeal, Civil Div. 98/0092-95B, 7/23/98, at <http://www.nic.uk.news/oiam-appeal-judgment.html>; *Marks and Spencer and other v. One in a Million and others*, High Court of Justice, Chancery Div. 11/28/1997, at <http://www.nic.uk/news/oiam-judgment.html>.
16. District Court of Milan, February 24, 2004, European Intellectual Property Review 1999, at 105.
17. *In re Beologic*, Municipal Court of Copenhagen, 2 December 1997.
18. The bill was opposed by many in the Italian Parliament.

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Endnotes

1. Forrester Research.

Domain Name Disputes in Japan

By Toshiyuki Fukai

I. Introduction

Although many famous Japanese companies have been victimized by cybersquatting, domain name disputes are an uncertain legal area in Japan. However, there have been significant recent developments in this area that will be discussed in this article. First, on December 6, 2000, the Toyama¹ District Court ruled on “JACCS case,” a domain name dispute in which the plaintiff sought to prohibit the defendant’s use of a domain name. This was the first Japanese court ruling on a domain name dispute, and the court’s decision, which attracted much attention in Japan, is likely to be cited as precedent in domain name disputes in Japan.

Second, the Japan Network Information Center (JPNIC)² recently adopted a JP Domain Name Dispute Resolution Policy, and the Arbitration Center for Industrial Property³ has been approved as the dispute-resolution service provider under the policy. On February 5, 2001, under the new proceedings at the Arbitration Center, the panel appointed by the Arbitration Center ruled on “goo case,” a domain name dispute in which the complainant demanded the transfer of a domain name from the registrant to the complainant. This is the first panel decision under the Dispute Resolution Policy.

Third, because current Japanese statutes are not adequate to protect trademark owners or other aggrieved persons against cybersquatting, the Japanese government is preparing a bill against cybersquatting.

II. JACCS Case

JACCS CO., LTD. (“JACCS”), a Japanese corporation engaged in the credit card business, issues a credit card known as “JACCS CARD.” “JACCS” stands for “JAPAN CONSUMER CREDIT SERVICE.” JACCS had 124 offices in Japan as of July 1, 1998. JACCS registered “JACCS” as its trademark in 1994 and has used the mark in its advertising since 1976. Yugen Kaisha Nihonkai Pakuto (“Nihonkai Pakuto”) is a Japanese corporation engaged in the sale of simple frame toilets and cellular phones. Nihonkai Pakuto obtained its domain name “” from the JPNIC on May 26, 1998, and the domain name has been registered by the company. Nihonkai Pakuto’s home page stated “Welcome to JACCS Home Page” and advertised its products in the linked page. At the same time, Nihonkai Pakuto was demanding money from JACCS in connection with the domain name.

JACCS filed a lawsuit against Nihonkai Pakuto in the Toyama District Court seeking to prohibit Nihonkai Pakuto’s use of the name “JACCS” on its home page and its use of the domain name “.” On December 6, 2000, the Toyama District Court ruled in favor of JACCS.⁴ The court noted that when a domain name registrant sells its products or provides its services on its home page, it is reasonably understood that the domain name may function to identify the source of the products or services shown on the home page. The determination of whether the use of a domain name identifies the source of products or services, i.e., whether it serves as an “indication of goods” within the meaning of article 2, ¶¶ 1(1) and (2) of the Unfair Competition Prevention Law, should take into account the meaning a general Internet user would usually understand from the characters of the domain name and the contents of the home page reached by the domain name. In this case, the court found that the domain name purported to identify the source of the products advertised on the home page and that it therefore serves as an “indication of goods.”

The court further found that the indication “JACCS” had been well-known as the plaintiff’s business indication by 1998 at the latest and that the determination of whether the domain name registered by Nihonkai Pakuto was identical or similar to the plaintiff’s business indication should be made with reference to the third level domain “jaccs.” The court concluded that the difference between capital letters and small letters was not important and that the domain name was similar to the plaintiff’s business indication. Accordingly, the court held that Nihonkai Pakuto’s use of the domain name violated article 2, ¶ 1(2) of the UCPL.

III. Unfair Competition Prevention Law

Japan, a civil law country, does not have a special statute against cybersquatting equivalent to the Anticybersquatting Consumer Protection Act. Therefore, trademark owners or other aggrieved persons must sue cybersquatters based on conventional statutes. Statutes which may be utilized against cybersquatting are the Trademark Law⁵ and the Unfair Competition Prevention Law (UCPL).⁶ A trademark owner cannot rely on the Trademark Law when a domain name registrant does not sell goods or provide services in competition with the designated goods or services of the registered trademark. However, the UCPL includes the proscrip-

tion of unfair competition notwithstanding differences in the type of products or services between the infringer and the aggrieved person.⁷

The purpose of the UCPL is to contribute to the sound development of the national economy by preventing unfair competition and providing compensation for damage caused by unfair competition in order to ensure fair competition among business entities and accurate implementation of international agreements related thereto (article 1 of the UCPL). The UCPL prohibits, *inter alia*, passing off, misleading representation, acts injuring business reputation, and the theft of trade secrets. The following will explain the relevant provisions of the UCPL in connection with domain name disputes.

A. Protection of a Widely Known Indication

Article 2, ¶ 1(1) of the UCPL defines one category of unfair competition as follows:

The act of using an indication of goods . . . which is identical or similar to another person's indication of goods . . . (meaning a name, trade name, trademark, mark, container or package of goods in relation to a person's business, or any other indication of goods or business) which is widely known among consumers, or the act of assigning, delivering, displaying for the purpose of assignment or delivery, exporting, or importing goods that use such indication of goods . . . , and thereby causing confusion with another person's goods or business.

To assert a claim under the above provision, it is necessary to establish that the claimant's indication is widely known among consumers. To meet this requirement, an indication must be so widely known among consumers that confusion would be caused if some other person were to use it. It is not enough that an indication is just being used, but it is not necessary that an indication be widely known throughout Japan; it is enough that it is widely known in one area in order to enforce it in that area. This requirement is rather vague, and evidence such as newspapers, magazines, advertising materials, an opinion letter from a relevant organization in the industry, and examples of confusion typically is presented to a court in order to demonstrate that an indication is widely known among consumers. Examples of actual confusion among consumers would be strong evidence.

It is also necessary to establish that the opposing party's use of the indication is causing confusion. The confusion requirement is not strictly construed. Confusion includes not only confusion as to source but also confusion as to whether claimant and the opposing party are related, such as licensor and licensee, parent and subsidiary, a group of companies and a member company, or franchiser and franchisee. It is not necessary to establish that a claimant and the opposing party are engaged in the same business.

Japan's Supreme Court recently rendered a decision predicated on a finding of the latter type of confusion. The plaintiff, Chanel S.A., a Swiss corporation, belongs to a group of companies engaged in the manufacture and sale of women's clothes, perfumes, handbags, and accessories to which the trademark "CHANEL" is attached, and owns and manages the intellectual property, including the "CHANEL" trademark, of the Chanel group. The defendant was running a small restaurant in Japan with four signboards reading "SNACK CHANEL" (in Japanese). The restaurant was only about 32 meters square, and only two employees other than the defendant, one of them part-time, worked at the restaurant. The average annual sales were only about 8.7 million yen (approximately \$80,000). After the lawsuit was filed, the defendant changed the characters on one of the signboards to "SNACK CHAREL" (in Japanese), but continued to use "SNACK CHANEL" (in Japanese) on the remaining three signboards. The plaintiff demanded the prohibition of the defendant's use of the indications "SNACK CHANEL" (in Japanese) and "SNACK CHAREL" (in Japanese), and damages.

The Supreme Court rendered its decision on September 10, 1998.⁸ The Court found that "act causing confusion" in article 2, ¶ 1 (1) of the UCPL includes an act causing confusion regarding the relationship between the plaintiff and the defendant. Although the business of the defendant was different from that of the Chanel group, the facts that the trademark "CHANEL" is extremely widely known and that companies in the fashion business tend to diversify led the Court to conclude that consumers might believe incorrectly that the defendant had close business relations with companies of the Chanel group or that the defendant belongs to the same commercial product group to which companies of the Chanel group belong. Therefore, the Court held that the defendant's act caused confusion and infringed the plaintiff's business interests.

The Tokyo High Court, whose decision was appealed to the Supreme Court, had found no confusion in light of the very different type and scale of the

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defendant's business. The Supreme Court's contrary conclusion, which recognized very broad protection of a widely known trademark, can be cited to support protection of a widely known trademark even where no actual confusion can be demonstrated.

B. Protection of a Well-Known Indication

The following acts fall within the category of unfair competition under article 2, ¶ 1(2) of the UCPL:

The act of using, as one's own indication of goods . . . one which is identical or similar to another person's well-known indication of goods . . . or the act of assigning, delivering, displaying for the purpose of assignment or delivery, exporting, or importing goods that use such indication of goods. . . .

To assert a claim under the above provision, it is not necessary to establish confusion, but it is necessary to establish that the claimant's indication is well-known. This requires a higher level of knowledge of the indication than the phrase "widely known" as used in the preceding subparagraph. A well-known indication means one having high reputation, fame, and trust beyond its intended business area or consumers. For example, "WALKMAN" is well-known as a cassette player of Sony Corp., and "ELLE" is well-known for various fashion goods of Hachette Filipacchi. The purpose of this provision is to prevent a third party's free ride on a well-known indication or dilution of a well-known indication caused by a third party's use of it.

C. Remedies

A person whose business interests are infringed or are likely to be infringed by unfair competition is entitled to claim the suspension or prevention of such infringement against the person who infringes or is likely to infringe such business interests. The aggrieved person is entitled to demand the destruction of the objects that have constituted the act of infringement (including objects created by the act of infringement), the removal of equipment used for the act of infringement, or any other act necessary to suspend or prevent the infringement, as well as damages resulting from the act of infringement.

D. Limitations

The UCPL may be a useful tool against cybersquatting, as in the JACCS case. However, it is sometimes difficult to establish that a plaintiff's indication is widely known or well-known. Also, if a domain name registrant does not use the domain name for its business activities and just keeps the registration, it would be

difficult to establish that the possession of the domain name meets the "use" of "indication of goods" requirement of the UCPL. In addition, the transfer of a domain name from the registrant to the aggrieved person cannot be granted as a legal remedy under the UCPL.

IV. JPNIC's JP Domain Name Dispute Resolution Policy

A. Adoption of Dispute Resolution Policy

JPNIC has recently adopted the JP Domain Name Dispute Resolution Policy ("Dispute Resolution Policy")⁹ and Rules for JP Domain Name Dispute Resolution Policy ("Rules").¹⁰ Registrants who have registered their domain names at JPNIC must abide by the new Dispute Resolution Policy and Rules. Under the Dispute Resolution Policy, the Arbitration Center for Industrial Property has been approved as the dispute-resolution service provider. A trademark owner or other aggrieved person may bring a lawsuit against cybersquatting without following the dispute resolution proceedings at the Arbitration Center, but the use of the proceedings should be considered because the requirements for a trademark owner or other aggrieved person to prevail at the Arbitration Center are more favorable to the aggrieved person than those of a court action, and proceedings at the Arbitration Center are much quicker.

Article 4.a of the Dispute Resolution Policy provides that in proceedings at the Arbitration Center, a complainant must establish the following three elements to demand the transfer or cancellation of a domain name: (i) the domain name of the registrant is identical or confusingly similar to any mark, such as a trademark or service mark, in which the complainant has rights or legitimate interests; (ii) the registrant has no rights or legitimate interests in respect of the domain name registration; and (iii) the domain name of the registrant has been registered or is being used in bad faith (for an unfair purpose).

Article 4.b provides that to determine whether or not there is evidence of bad faith (article 4.a.iii), the Panel of the dispute-resolution service provider shall consider, without limitation, the following: (i) circumstances indicating that the registrant has registered or has acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name to the complainant or to a competitor of that complainant for valuable consideration in excess of the out-of-pocket costs (amount to be confirmed by documentation) directly related to the domain name; (ii) whether the registrant has registered the domain name in order to prevent the complainant from using any

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trademarks or other indication in a corresponding domain name, provided that the registrant has engaged in more than one such interference; (iii) whether the registrant has registered the domain name primarily for the purpose of disrupting the business of a competitor; or (iv) whether by using the domain name, the registrant has intentionally attempted to attract Internet users to the Web site or other on-line location of the registrant for commercial gain by intentionally causing confusion as to the source, sponsorship, affiliation, or endorsement of the Web site or location or of a product or service thereon.

Pursuant to article 4.c of the Dispute Resolution Policy, in order to determine whether the registrant has rights to the domain name (article 4.a.ii), the Panel looks for the following circumstances: (i) before the registrant receives any notice of the dispute related to the subject domain name by any third party or the dispute-resolution service provider, the registrant uses, or apparently demonstrates preparations to use, the domain name or a name corresponding thereto in order to offer of goods or services without any bad faith (unfair purpose); (ii) the registrant commonly has been known by any name within the domain name, regardless of registration by the registrant of any other trademark or other indications; or (iii) the registrant is using the domain name for a noncommercial purpose or is making fair use of the domain name, without intent to misleadingly divert consumers by utilizing the trademark and other indications of the complainant or to tarnish any trademark or other indications of the complainant.

Article 4.k provides that if the Panel decides that the domain name registration should be canceled or transferred, JPNIC will wait ten business days after it is informed by the applicable dispute-resolution service provider of the Panel's decision before implementing the decision. JPNIC will then implement the decision unless it has received from the registrant during the ten business-day period an officially certified copy of a document (such as a copy of a complaint, file-stamped by the clerk of the court) indicating that the registrant has commenced a lawsuit against the complainant. If JPNIC receives such officially certified copy of the document within the ten business-day period, it will not implement the Panel's decision. JPNIC will take no further action concerning the implementation of the Panel's decision until it receives (i) the certified copy of a notarized settlement agreement between the parties; (ii) the officially certified copy of the petition for withdrawing the action brought by the registrant and of consent for the withdrawal by the complainant; or (iii) the officially certified copy of a final judgment or equivalent docu-

mentation of the court dismissing the lawsuit or ordering that the registrant does not have the right to continue to use the domain name. Any copy may be submitted instead of the officially certified copy of the foregoing documents.

B. Goo Case

NTT-X, Inc. is a Japanese corporation engaged in the Internet information search service business. It maintains a Web site at "http://www.goo.ne.jp." Its "goo" site is a representative Internet search site in Japan. NTT-X has trademarks comprised of "GOO" and Japanese katakana characters and trademarks of "goo" with design incorporated into it. These trademarks have been used by NTT-X to identify its goo site.

Yugen Kaisha Popcorn ("Popcorn") is a Japanese corporation. Popcorn registered the domain name "goo.co.jp" at JPNIC before NTT-X registered "goo.ne.jp" and the related trademarks. After NTT-X opened its goo site at "goo.ne.jp," Popcorn began to use its "goo.co.jp" site to link to another site containing adult (pornographic) pictures. On November 20, 2000, NTT-X submitted a complaint against Popcorn to the Arbitration Center for Industrial Property under the JPNIC's Resolution Policy to demand the transfer of the domain name to the complainant.

On February 5, 2001, the Panel appointed by the Arbitration Center granted the transfer of the domain name "goo.co.jp" to the complainant.¹¹ The Panel found that the registrant had been using its domain name only for the purpose of linking to another Web site, "http://www.real.co.jp," managed by another company, Yugon Kaisha Real, that contained many adult pictures and provided adult pictures for pay since about September 1999—after NTT-X's goo site had become well known. NTT-X's goo site "http://www.goo.ne.jp" had become well known to Internet users in Japan as a representative portal site mainly for information searches by the end of August 1999 at the latest. Together with NTT-X's trademarks, the Panel found that the indication "goo" and "goo.ne.jp" used at the goo site had obtained high customer-attractive power and that the complainant had a legitimate interest in continuing to use it.

It is clear, the Panel stated, that the registrant's domain name "goo.co.jp" is confusingly similar to the complainant's trademarks and to the indications "goo" and "goo.ne.jp" used by the complainant at its goo site. Because the top-level domain ".jp" indicates a country, and the second-level domain ".co," ".ne" indicates a type of organization, "goo" is the principal source of differentiation, and it is identical in both domain

names. This part of both domain names is the same. The Panel further found that Popcorn's site did not have any original information and had been used only for transfer to the adult site. Concluding that Popcorn intended to obtain commercial gain by tempting some users to download adult pictures from the transferred site for pay, the Panel held that Popcorn's use of the domain name was for an unfair purpose. Although because Popcorn registered its domain name before NTT-X it had a legitimate interest in the "goo.co.jp" domain name, that legitimate interest was lost when Popcorn used it for an unfair purpose.

Popcorn subsequently filed a lawsuit with the Tokyo District Court against the Panel decision.¹² Because of the commencement of the lawsuit, the Panel decision has not been implemented, and Popcorn's Web site at "http://www.goo.co.jp" is still active. Nonetheless, the Panel decision likely will impact the lawsuit in a manner favorable to NTT-X.

V. The Bill for Amendment to the Unfair Competition Prevention Law

As explained above, there have been significant developments in the area of domain name disputes in Japan. However, the current Japanese statutes are not enough for trademark owners or other aggrieved persons to combat cybersquatting, especially when the cybersquatters do not use domain names for business activities. The Japanese government is therefore preparing a bill to amend the UCPL to combat cybersquatting.¹³ The bill contains the following provisions:

- i. The act of acquiring, possessing or using a domain name identical or similar to another person's indication of goods for an unfair purpose is recognized as "unfair competition."
- ii. A person whose business interests are infringed or are likely to be infringed by such act will be entitled to injunctive relief and damages.

The bill is expected to be submitted to the Diet during the current session.

VI. Conclusion

There have been significant recent developments in the area of domain name disputes in Japan. Although the requirements for a trademark owner or other aggrieved person to prevail and the remedies available to them in a domain name dispute are different in Japan than in the United States, the aggrieved person should consider taking a formal action against cybersquatting in Japan based on the new weapons explained in this article.

Endnotes

1. Toyama is a city in Japan.
2. JPNIC was the sole organization administering domain name registrations in Japan. On December 26, 2000, JPNIC established a new corporation, Japan Registry Service Co., Ltd., to which it is transferring its domain name registration/administration businesses. See <http://www.nic.ad.jp/jp/pressrelease/2001/press-20010125-01.html>.
3. See <http://www.ip-adr.gr.jp>.
4. 1047 HANTA 297.
5. Law No. 127 of April 13, 1959, as amended.
6. Law No. 47 of May 19, 1993, as amended.
7. The old UCPL (Law No. 14 of 1934, as amended) was revised in its entirety, and the new UCPL (Law No. 47 of May 19, 1993, as amended) has been in force since May 1, 1994.
8. 1655 HANJI 160, 986 HANTA 181.
9. A full text is available in English at <http://www.nic.ad.jp/en/regist/dom/doc/jp-drp-policy-e.html>.
10. A full text is available in English at <http://www.nic.ad.jp/en/regist/dom/doc/jp-drp-rule-e.html>.
11. Case No. JP2000-0002. See http://www.ip-adr.gr.jp/jp_domain/jiken/saitei/jp2000-0002.html.
12. Nihon Keizai Shimbun, Evening Edition, February 21, 2001.
13. See http://www.kantei.go.jp/jp/it/network/dai1/1siry-ou7_07.html.

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Superhighway Widens, But Hazards Remain: More Internet Addresses Will Not Address Trademark and Unfair Competition Concerns

By Matthew David Brozik

I. Introduction: Looking Down the Road

In November 2000, the Internet Corporation for Assigned Names and Numbers (ICANN), the not-for-profit organization charged with regulation of Internet addressing and with oversight of registrars and URL (Universal Resource Locator, a/k/a "domain name") registration, approved the creation of seven new top-level domain (TLD) suffixes.¹ Of the seven, four are restricted for specific, narrow use by permission only: ".pro" for licensed professionals; ".museum" for museums; ".coop" for business cooperatives; and ".aero" for the airline industry.² ICANN authorized ".name" as an unrestricted suffix but expects it to be used by individuals, in the main noncommercially.³ The remaining two, ".biz" and ".info," are for general use.⁴

According to some reports, ICANN greenlighted the creation of new TLDs in part to redress cybersquatting and in part to decrease the incidence of trademark battles in cyberspace.⁵ It has been suggested that opening these several new "lanes" on the so-called information superhighway will at once make available to all legitimate, well-intentioned users new domain names that have not yet been snapped up by the scalpers of the Internet and will afford junior users of trademarks the opportunity to stake a properly named claim to a piece of cyberspace. Unfortunately, the new TLDs will serve neither end. Cybersquatters, undeterred by the threat of civil action, are eagerly awaiting the availability of the new TLDs. More TLDs will do little, if anything, to alleviate trademark concerns. To the contrary, because the application of traditional trademark law in cyberspace allows (and, to an extent, requires) the senior user of a mark to register all domain names that might infringe that mark, more TLDs will afford junior users no greater opportunity to obtain domain names and will instead likely create more work for senior users who hope to police their marks.

II. Obstacles: Cybersquatting and Trademark Infringement

Cybersquatting is the practice of registering a domain name not with intent to use it but rather with intent to offer it for sale, often at an extortionate price,

to another with arguable rights to a protectible mark identical or similar to the second-level domain of the domain name (for example, the "marvel" of "marvel.com"⁶). Because the domain name registrars under ICANN's aegis do not make any independent determination of an applicant's rights to a domain name at the registration stage, any applicant may, in the first instance, register any available domain name,⁷ i.e., any name that has not already been registered. This unfettered initial ability to register gave rise to cybersquatting.

Although coined earlier, the term "cybersquatter" became more prevalent after the United States District Court for the Northern District of Illinois applied it to the infamous repeat-defendant Dennis Toeppen.⁸ As the court put it: "[Cybersquatters] attempt to profit from the Internet by reserving and later reselling or licensing domain names back to the companies that spent millions of dollars developing the goodwill of the trademark."⁹ The court also observed that "the current configuration of the Internet allows only one party to use [any given] domain name."¹⁰

The fact that the nature of the Internet dictates that any given unique domain name can be used by only one registrant at a time has led to traditional trademark disputes in cyberspace. There is no parallel to cybersquatting in the "real world" of intellectual property, as one cannot register a mark with the United States Patent and Trademark Office or with the Secretary of any state without demonstrating actual use of the mark in commerce.¹¹ It is actual commercial use that creates rights in the mark.¹² For that reason, registration is not necessary, although it is advantageous. One who uses a mark gains rights to it even without registration, provided, of course, that such use does not infringe another's rights. And when one's use of a mark infringes another's rights to the mark, the "senior" user has a cause of action against the "junior" user.

Even with no intent to resell or license a domain name or otherwise hold it for ransom, and with every intent to use it in commerce, one still can infringe another's rights in and to a mark—registered or not—by use in commerce of a domain name that is likely to

cause consumer confusion or mistake regarding the source or sponsorship of the goods or services sold by way of the domain name. One need not even be a competitor to dilute another's famous mark through use of a similar domain name. This broader protection scheme is considerably more restrictive in cyberspace than in the bricks-and-mortar world because of the absolute limit of one owner per domain name.

III. Steamrolling the Bumps

Cybersquatting might have been a more traditional property law issue rather than as an intellectual property issue. But to take registered domain names from the clutches of those whose sole intent was to fence them for exorbitant prices, those with demonstrable rights to the marks brought claims against the cybersquatters under various trademark causes of action. Meanwhile, domain names were also in the hands of junior users of marks included in those domain names. To liberate domain names from these registrants, senior users likewise turned to trademark law.

A. Diluting Anti-Dilution Statutes to Curb Cybersquatting

Cybersquatters acquired in bulk domain names apparently identical to, similar to, or at least inclusive of marks owned by others. Some of the aggrieved owners haled the cybersquatters into court, seeking to enjoin as a violation of their trademark rights not just the unauthorized use, if any, of their marks but also the registration of the domain names at issue, and demanding that the cybersquatters turn over the names. Intermatic Incorporated, for example, sued Dennis Toeppen,¹³ alleging that Toeppen's use of the domain name "intermatic.com" violated the Lanham Act¹⁴ prohibitions against trademark infringement,¹⁵ unfair competition,¹⁶ and trademark dilution;¹⁷ the Illinois Anti-Dilution Act¹⁸; the common-law of unfair competition; the Uniform Deceptive Trade Practices Act¹⁹; and the Illinois Consumer Fraud and Deceptive Practices Act.²⁰

The district court denied Intermatic's motion for summary judgment on its trademark infringement claims because it could not show likelihood of confusion.²¹ The court did, however, grant Intermatic summary judgment on its dilution claim.²² Fortunately for Intermatic, the year before, Congress had amended the Lanham Act to include an express proscription against dilution of famous marks, regardless of likelihood of confusion.²³ In order to find dilution, however, the court had to find that Toeppen's use was commercial²⁴—not competitive, for dilution is not predicated on competition²⁵—but nevertheless used in commerce. Even though Toeppen was not selling goods or

products on his "intermatic.com" Web site, the court found his use "commercial" because he had attempted to sell the domain name itself to Intermatic.²⁶ The court thus strained to use the recently enacted section 43(c) of the Lanham Act to find Toeppen liable.

There were also non-Toeppens with good intentions who nevertheless ran afoul of trademark law. These unfortunate registrants were junior users of marks to which their domain names bore resemblance. In the real world, these junior users might have enjoyed a limited concurrent use of the same or a similar mark. Not in cyberspace, though, where the rule is *one mark, one owner* regardless of geography or the nature of the respective enterprises. In these cases, the courts applied the well-formed rules of trademark law to the still-evolving Internet.

In the seminal case applying traditional trademark jurisprudence to the problems arising from registration of a domain name evocative of another's mark, the Ninth Circuit held in *Brookfield Communications, Inc. v. West Coast Entertainment Corporation*²⁷ that the defendant's registration and use of a domain name that was confusingly similar to the plaintiff's mark infringed plaintiff's intellectual property rights. "Registration of a domain name," the court opined, "does not trump long-established principles of trademark law. When a firm uses a competitor's trademark in the domain name of its [W]eb site, users are likely to be confused as to its source or sponsorship."²⁸

IV. The Road Widens

ICANN selected seven suffixes to be appended to the Internet as early as Spring 2001 from applications submitted by businesses and other groups seeking to manage new TLDs.²⁹ ICANN and the winning applicants currently are coordinating the technical aspects of the forthcoming expansion.³⁰ The question is whether as the road widens, the ride will become smoother. I do not think it will.

The belief that the institution of new suffixes will curb cybersquatting is illogical. The creation of new suffixes will, to the contrary, invite cybersquatters to snap up and ransom fresh domain names. The theory is that new suffixes will offer more opportunities to those whose desired domain names are already in the possession of another. In other words, rather than sue one who might or might not be a cybersquatter, legitimate businesses and other concerns will race each other to register ".biz" names, for example. But the cybersquatters still will operate, like scalpers who buy the best tickets to concerts in bulk with alarming speed. Since Congress amended the Lanham Act in 1999 to provide a

civil cause of action against one who, with a bad faith intent to profit from that mark, “registers, traffics in, or uses” a domain name that is identical or confusingly similar to a distinctive mark or identical, confusingly similar, or dilutive of a famous mark,³¹ cybersquatting has been expressly actionable. Just as ticket scalpers, however, continue to scalp tickets, cybersquatters are likely to continue to register and hold hostage domain names, facing only injunction, not incarceration.³² Creating “.biz” to address the cybersquatting rampant upon “.com” domain names is like adding another concert date to allow the kids another chance to buy tickets and hoping that the scalpers do not snap up the tickets. But because of the firm entrenchment of “.com” in the minds of Internet users, the addition of “.biz” (or any new suffix) at this stage is like adding another show but bringing out only the opening act.³³

Trademark law does not permit concurrent use of any domain name. Because such application of traditional trademark law allows a senior user of a mark to usurp from a junior user even a properly registered domain name if the domain name is sufficiently similar to the senior user’s mark, and because trademark law requires a mark’s owner to “police” the mark, the addition of new TLDs such as “.biz” is going to cause senior users to police use of their marks in multiple TLDs. That is because the law that protects an owner’s investment in a mark by enjoining infringing uses of that mark—including in a domain name—applies confusing similarity analysis to a domain name *regardless of the suffix*.³⁴ The senior user of a mark (say, “Mark™”) may enjoin a junior user’s registration and ownership of “mark.com” because trademark law asks whether “mark.com” infringes “Mark™.” Disregarding suffixes will allow the senior user of “Mark™” to usurp “mark.biz” as soon as “.biz” is activated, even if the senior user already owns “mark.com.” So much for making more names available by adding suffixes. And if the senior user does not take steps to secure domain names that might infringe “Mark™” – the most popular of which will soon be “mark.biz” – then the senior user risks appearing lax in policing its mark, which could well come back to haunt him.³⁵

V. Conclusion

Two factors that inform infringement analysis in the bricks-and-mortar world do not apply in cyberspace: geography and the nature of an enterprise. In the real world, a junior user might have the ability, with the endorsement of a court, to use the same mark even for the same goods or services in a limited geographic area “carved out” of the senior user’s domain of ownership and use. Not so in cyberspace, where there is no mecha-

nism for concurrent use, and certainly not a mechanism for concurrent use based upon geography. The Internet is global. It is impossible to reconstitute the World Wide Web so that a junior user’s site would appear at mark.com only in one corner of the world, while the senior user’s site would appear at mark.com everywhere else. The practice of permissive concurrent uses of the same mark by non-competing users also is impossible. But if one goal of the addition of “.biz” and its companion new suffixes is to establish a cyber-scheme like that allowing concurrent uses of the same mark in the real world, then the necessary and automatic entitlement of the senior user to all domain names evocative of the mark soundly defeats the purpose of the expansion.³⁶ Ultimately, therefore, the Internet cannot in this manner support anything like concurrent use of a mark either by geographic carving out or by permitting non-competing uses of the same mark at once.

When the seven new suffixes come into being, those whose desired “.com” domain names are in the clutches of cybersquatters will be able to scramble for “.biz” and “.info” domain names on a first-come, first-served basis and still might lose the race to cybersquatters. Meanwhile, those who expect to register a “.biz” or “.info” domain name inclusive of or similar to a mark whose senior user owns the “.com” domain name are in for grave disappointment: even if they win the race to register, the senior user might yet walk away with the trophy.

Endnotes

1. Press release, Internet Corporation for Assigned Names and Numbers, ICANN Announces Selections for New Top-Level Domains (Nov. 16, 2000).
2. Brock N. Meeks, *New domain name suffixes selected* (Nov. 17, 2000), available at <http://www.msnbc.com/news/491013.asp>.
3. *Id.* See also Chris Gaither, *7 New Domains Are Chosen To Join the Popular .com*, N.Y. Times, Nov. 17, 2000.
4. Ariana Eunjung Cha, *Seven New Domain Suffixes Approved*, Washington Post, Nov. 17, 2000, at E01.
5. See, e.g., Meeks, *supra* note 2 (“The need for new suffixes is critical. With some 20 million .com registrations, it has become increasingly difficult to find a simple and catchy name for a Web site. That scarcity of domain names has led to so-called ‘cybersquatting.’ . . . That same .com scarcity also has led to a flood of trademark and intellectual property rights disputes in cyberspace.”), and Cha, *supra* note 4 (“The dearth of domain names has been a major complaint among companies and individuals for the past few years, especially as so-called cybersquatters have purchased hundreds or even thousands of names at a time and have sold them to desperate companies for up to several million dollars each.”).
6. In fact, both marvelcomics.com and marvel.com (perhaps among others) point to the Web site of Marvel Entertainment Group, Inc., “Marvel.com,” the online “Home of Spider-Man, the X-Men, and More!” Spiderman.com is also registered by Marvel

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- Entertainment Group, Inc., although the more accurate spider-man.com is not.
7. Registration of a domain name at an online registrar (e.g., register.com,) is generally a six-step process: verifying the availability of the domain name; confirming the applicant's intention to register the domain name; logging in to the registrar; providing the applicant's contact information; reviewing the application for accuracy; and submitting the application.
 8. *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1233 (N.D. Ill. 1996) ("Toeppen is what is commonly referred to as a cyber-squatter"). See also *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998), and *American Std. v. Toeppen*, No. 96-2147, 1996 U.S. Dist. LEXIS 14451 (C.D. Ill. Sept. 3, 1996).
 9. *Intermatic*, 947 F. Supp. at 1233.
 10. *Id.* at 1234.
 11. 15 U.S.C. §§ 1051(a)(1), (a)(2), (3)(C), (d).
 12. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1918).
 13. *Intermatic*, 947 F. Supp. at 1229.
 14. 15 U.S.C. §§ 1051 *et seq.*
 15. Section 32(1), 15 U.S.C. § 1114(1).
 16. Section 43(a), 15 U.S.C. § 1125(a).
 17. Section 43(c), 15 U.S.C. § 1125(c).
 18. 765 Ill. Comp. Stat. 1035/1 *et seq.*
 19. 815 Ill. Comp. Stat. 510/1 *et seq.*
 20. 815 Ill. Comp. Stat. 505/2.
 21. *Id.* at 1236.
 22. *Id.* at 1240-1.
 23. The Federal Trademark Dilution Act of 1995 amended § 43 of the Lanham Act (15 U.S.C. § 1125) to include § 43(c), creating a civil cause of action for the owner of a famous mark diluted by another's use of the mark.
 24. *Intermatic*, 947 F. Supp. at 1238.
 25. 15 U.S.C. § 1127 defines dilution as "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception."
 26. *Intermatic*, 947 F. Supp. at 1239.
 27. 174 F.3d 1036 (9th Cir. 1999).
 28. *Brookfield*, 174 F.3d at 1066.
 29. See Gaither, *supra* note 3.
 30. *Id.*
 31. 15 U.S.C. § 1125(d)(1)(A).
 32. 15 U.S.C. § 1125(d)(1)(C) provides: "In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark."
 33. See Gaither, *supra* note 3 ("People are used to the .com space," said Sloan D. Gaon, director of business development with Register.com. . . . He added that heavy marketing would be necessary to 'change the mindset of Internet users around the world.'").
 34. *Brookfield*, 174 F.3d at 1055 ("Comparison of domain names . . . is irrelevant as a matter of law, since the Lanham Act requires that the allegedly infringing mark be compared with the claimant's trademark. . . .") (emphasis in original).
 35. See *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 214 U.S.P.Q. (BNA) 327 (1982).
 36. Worse, because the real-world doctrine of infringement of famous marks by dilution is as applicable in cyberspace as the rest of traditional trademark law (it was dilution that undid cybersquatter Toeppen as early as 1995), the senior user of "Mark™" might even enjoin a just-barely-junior user's registration of mark.biz for a non-competing use, making the senior user of a famous mark omnipotent with respect to registration of domain names inclusive of or similar to the famous mark.

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WIPO Protection of Audiovisual Performances: Legality vs. Reality

By Donna Furey

I. Introduction

In the best of all possible worlds, performers would have economic and moral rights in their performances that equitably correspond to the rights granted to inventors, scientists, authors, and musicians for their creative efforts under national intellectual property laws and international treaties. The proposed Instrument to the WIPO Performances and Phonograms Treaty Concerning Audiovisual Performances (“Instrument”) endeavors to make this a global reality. This paper will discuss how the historical treatment of these rights in various countries and through international treaties and agreements has shaped the Instrument and whether these newly acquired rights will actually be realized by performers.

Audiovisual performance rights have been a concern of the World Intellectual Property Organization (WIPO)¹ since the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions in December 1996.² It was hoped by the participants of the Conference that audiovisual performance rights would be included in the WIPO Performances and Phonograms Treaty (WPPT) that was adopted at that conference.³ Unfortunately, the issues involved in creating audiovisual performance rights, such as national treatment, transfer of rights and rights of remuneration, proved too complex for agreement.⁴ As a result, a resolution was adopted at the conference to begin work on a Protocol to the WPPT that would recognize and protect performers’ audiovisual performance rights in the rapidly evolving technological and digital environment.⁵ During the past four years, a great deal of progress has been made on the Instrument, with meaningful participation by many countries and non-governmental organizations working together to create a flexible agreement that would be acceptable worldwide.⁶ Achieving an acceptable agreement has been difficult because of the diverse treatment and recognition of economic and moral rights of performers in various countries and regions.⁷ In order to understand the intricacies of the issues involved, this article will first attempt to analyze the copyright protection granted to performers under three paradigmatic systems: pluralism, dualism, and monism. Thereafter, the treaties and conventions that have influenced the Instrument will be discussed. Finally, the issues that have delayed the acceptance of the Instrument and the proposals that have been advanced to resolve those issues will be considered.

II. Existing Copyright Protection for Audiovisual Performers

A. Overview

For centuries, a goal of copyright law has been to protect the author’s creative expression from exploitation without the author’s consent.⁸ At first this goal was achieved by applying property and agency theories to the relationship between the author and the media entrepreneur.⁹ In order to gain consent to exploit an author’s work, an entrepreneur had to negotiate a contract with the author and/or his successors.¹⁰ The contract gave the agent the exclusive right to reproduce the work and to prevent third parties from copying the work, while the author retained the right to control the unadulterated presentation of the original work.¹¹ To enable the author to protect his natural rights in his name, status, reputation, freedom of self-expression and privacy interests, common law copyright, personality and moral rights theories developed.¹² Copyright law lends itself to the protection of the economic and personal rights of the author when his work is released.¹³

Another important objective of copyright law has been to encourage learning and the progress of civilization.¹⁴ It is this aim of copyright that indirectly sanctions the unauthorized use of an author’s work.¹⁵ Today, the public can effortlessly acquire and reproduce works on its own through telecommunications networks and new copying technologies.¹⁶ These unauthorized uses are often beyond the control of the author by threat of suit or by contract and thereby deny the author his just rewards.¹⁷ To ensure that the author continues to benefit from his efforts in light of the use of works for the public benefit, the courts and legislators have developed rights of remuneration in the form of legal, compulsory, and blanket licenses that are often administered by collecting societies.¹⁸ Each country has its own system for the payment, collection, allocation and disbursement of remuneration fees.¹⁹

Copyright has evolved into three representative national systems—pluralism, dualism, and monism—which vary in their recognition of the author’s property, agency, and privacy or personality rights.²⁰

B. Pluralism

The theory of pluralism is based on the premise that “reality consists of two or more independent elements.”²¹ This system is characterized by the independ-

ent existence of an author's "bundle" of property rights and remedies known as copyright and the author's "other" rights known as personal or moral rights.²² The bundle of property rights is statutorily created and includes the rights of reproduction, adaptation, distribution, performance, and display.²³ These rights may be owned and enforced separately.²⁴ On the other hand, moral rights are not statutory and may be possessed and enforced only by the author.²⁵ Generally, a version of this system is practiced in nations following the Anglo-American legal tradition.²⁶

For example, in the United States, transferable property rights are established and protected by copyright statutes, while moral rights are protected separately under overlapping legal doctrines such as privacy, defamation, unfair competition, and cultural property laws, along with limited statutory rights for creators of fine art.²⁷ In order to obtain federal copyright protection, the work must possess a spark of originality,²⁸ and it must be fixed in a tangible medium of expression.²⁹ An argument could be made that the innovative and creative portrayal of a character by an actor in a fixed audiovisual work should make the performer eligible for copyright protection for his performance. In reality, this is not the case because under the work-for-hire doctrine a performer is considered an employee, and the employer is considered the owner of the copyright in the audiovisual work.³⁰ Although many performers benefit from unionized collective bargaining of labor contracts, the effectiveness of collective bargaining to ensure performers' rights to receive remuneration and to control their work has been disputed.³¹ Only celebrity performers with top attorneys and bargaining leverage can obtain higher salaries and have access to royalties and residual income.³²

C. Dualism

The theory of dualism is based on the premise that "reality is composed of two mutually irreducible" elements.³³ This system is characterized by a broad concept of copyright as a property right that encompasses both an author's economic and moral rights.³⁴ Both of these rights are independently created and supported by statute.³⁵ Moral rights include the rights of divulgation, attribution, and respect,³⁶ whereas economic rights include reproduction and performance rights.³⁷ The moral rights are inalienable, and the economic rights are transferable.³⁸ Although an economic right may be transferred, the work may not be altered without the author's consent due to his moral rights in the work.³⁹ In other words, the economic rights are subordinate to the moral rights.⁴⁰ A version of this system is generally followed in nations following the French tradition.⁴¹

In France, a copyright is granted to a natural person who has created a "work of the mind" regardless of whether it is fixed in a tangible form.⁴² Since an audio-

visual work generally requires the creative collaboration of a number of individuals, those individuals are presumed to be co-authors of the work absent proof to the contrary.⁴³ Although an argument could be made that an actor's personal imprint on a role is a form of intellectual and creative contribution to an audiovisual work that should qualify him as a co-author, he is not accorded this copyright privilege.⁴⁴ Instead, a performing artist is statutorily granted a weaker form of dual rights known as neighboring rights that are secondary to author's rights.⁴⁵ The narrower moral rights provided to the performer are inalienable and include perpetual rights of respect for his name, status, and interpretation.⁴⁶ The economic rights granted to the performer are the rights of fixation, reproduction, and communication of his performance to the public.⁴⁷ Upon execution of the contract for the production of an audiovisual work, all of the performer's economic rights are transferred to the producer.⁴⁸ Fortunately, the statutes allow for individually or collectively negotiated terms of compensation and require distinct remuneration for each mode of exploitation but do not provide for proportional participation in receipts.⁴⁹

D. Monism

The theory of monism is based on the premise that "there is only one basic . . . principle as the ground of reality."⁵⁰ This system attempts to derive both economic and moral components of copyright under one common doctrinal source.⁵¹ Thus, an author may benefit financially from the exploitation of his economic rights in conjunction with his personal, intellectual and moral rights interests if he so chooses.⁵² Technically, the author does not fully relinquish all rights upon granting exclusive economic rights of use because rights of use cannot validly be transferred for unknown means of exploitation, and rights of personality may not fully be waived.⁵³ Therefore, the author retains the power to control some future uses of the work that may have economic value or violate moral interests.⁵⁴ German and kindred laws follow this system.⁵⁵

Under German copyright law, fixation is not a prerequisite for the protection of literary, scientific, and artistic works, which are the author's personal intellectual creations.⁵⁶ In practice, liberal requirements of originality and individuality are applied when determining eligibility for copyright protection.⁵⁷ Cinematographic works fall within the artistic works category that encompasses all audiovisual works, including live television programs even if they are never recorded.⁵⁸ The joint creators of a cinematographic or audiovisual work are considered its authors if they "created a work in common" and "their respective contributions cannot be separately exploited."⁵⁹ It would seem that the unique and individual creative contribution of a performer to an audiovisual work which could not be created with-

out him and from which his performance could not be separately exploited should qualify him as a co-author of the work. In reality, most live performances, sound or audiovisual recordings, and broadcasts are considered to lack the creative input required for copyright protection and are protected by neighboring or related rights.⁶⁰ Thereunder, a performer is granted economic rights that empower him to authorize the fixation, reproduction, distribution, rental, and broadcast of his performance and one moral right, which entitles him to prohibit any distortion or alteration of his performance that might prejudice his prestige or reputation as a performer.⁶¹ However, the performer's right to control broadcasting applies only to live performances and not to lawful copies embodying or recording his performance.⁶²

On the other hand, the performer has the right to equitable remuneration for secondary uses of lawfully published recordings and broadcasts of his performances, including an unwaivable right for commercial rentals of recordings. This right survives the contractual grant to producers of the exclusive right to control such rentals.⁶³ Furthermore, the performer is entitled to remuneration for the public lending of recordings of his performances for private recording as funded by equipment and blank-cassette levies.⁶⁴ The rights of remuneration are administered by collecting societies that are regulated by the Copyright Administration Act.⁶⁵ Nevertheless, a performer who works as an employee, on commission, or under contract with the producer is presumed to transfer his rights of fixation, reproduction, distribution, and rental to the producer unless he has a contract that provides otherwise.⁶⁶

Clearly, the exclusion of audiovisual performances from the genre of work protected by "copyright" under these systems has made it difficult to create comprehensive and uniform economic and moral rights for performers in audiovisual works under the Instrument. Moreover, the treatment of performers' economic rights varies from statutory alienation under the work-for-hire doctrine under pluralism⁶⁷ to statutorily mandated or presumed transfer and remuneration under dualism and monism.⁶⁸ Moral rights protection for audiovisual performers varies from common law recognition under pluralism to narrow recognition in neighboring rights under dualism and monism.

III. Influential Treaties and Conventions

Initially, in order to protect the interests of performers, producers, and broadcasting organizations without diluting the author's right tradition, separate entitlements known as "neighboring rights" or "related rights" were recognized in national statutes⁶⁹ and international treaties.⁷⁰ The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (the "Rome Convention")

was the principal multilateral treaty governing neighboring rights⁷¹ until the adoption of the WPPT.⁷² The Rome Convention grants performers the right to prevent unauthorized fixation and reproduction of their live and fixed performances.⁷³ Unfortunately, this right is limited by a provision known as the "cut-off provision." Under the cut-off provision, once a performer consents to fixation of his live performance or reproduction of his fixed performance, he has no protection under the Rome Convention.⁷⁴

In order to expand the protection afforded to performers and producers of phonograms, WIPO adopted the WPPT in 1996.⁷⁵ The WPPT is a freestanding convention, which means that it does not affect the rights granted under any preexisting treaties.⁷⁶ Under the WPPT, phonogram performers secure the following six exclusive rights: moral rights,⁷⁷ economic rights in their unfixed performances,⁷⁸ the right to make fixed performances available,⁷⁹ reproduction,⁸⁰ distribution,⁸¹ and rental.⁸² The moral rights granted under the WPPT are independent of the economic rights and are not waivable, transferable, or subject to reservation.⁸³ Performers may exploit their unfixed performances by authorizing the broadcast or communication of their performances and by fixing them in any form.⁸⁴ Once a performance has been fixed, the performer may make it available to the public by wire or wireless means, including via satellite or over the Internet.⁸⁵ In addition, performances fixed in phonographic form gained a significantly broader right of reproduction than that existing under the Rome Convention: unconditional and exclusive authority over direct or indirect reproduction in any form or manner.⁸⁶ For the first time, performers also achieved the power to authorize the distribution and rental of performances fixed in phonograms.⁸⁷ Unfortunately, performers' rights do not extend to remuneration for rebroadcasts.⁸⁸

Ultimately, the signatories to the treaty (hereinafter "contracting parties") retain the ability to define significant aspects of these exclusive rights in their domestic laws because the WPPT extends the national treatment principle to the rights of distribution, rental, and equitable remuneration for broadcasting and communication to the public.⁸⁹ However, contracting parties may opt out of the obligation to grant certain performance rights.⁹⁰ If member states do elect to give public performance rights, those rights are subject only to material reciprocity.⁹¹

A number of the provisions of the WPPT apply to performers and producers and duplicate features of the WIPO Copyright Treaty.⁹² The provisions dealing with limitations and exceptions, obligations concerning technological measures and rights management information, application in time, and enforcement imitate the provisions of the WIPO Copyright Treaty.⁹³ However,

some provisions are unique to the WPPT. For instance, article 15 gives performers and producers the right to a single equitable remuneration for the direct or indirect use of commercial phonograms broadcast or communicated to the public.⁹⁴ Even though the contracting parties retain the power to define the scope of this right in national legislation, the delegates agreed to include within it phonograms made publicly available by wire or wireless means.⁹⁵ A further difference in the WPPT involves acknowledgment of the change in the term of protection from 20 years under the Rome Convention to 50 years under the TRIPs Agreement.⁹⁶ Lastly, the delegates agreed to prohibit the imposition of any formalities in conjunction with the enjoyment or exercise of rights accorded under the WPPT.⁹⁷

Although these treaties may seem imperfect in some respects, they realistically attempt to fashion performance rights that will be recognized within the norms of the influential entertainment industry and enforced under a wide range of copyright systems. Consequently, they provide a practical base from which to construct an Instrument for audiovisual performance rights.

IV. Unresolved Issues and Proposals

The following points and others have been unsettled since the Diplomatic Conference on Certain Copyright and Neighboring Rights Questions in December 1996. These points were recently discussed and, in some instances, agreed upon at the Diplomatic Conference on the Protection of Audiovisual Performances, which was held from December 7 to 20, 2000 in Geneva, Switzerland.

Since the United States is one of the major producers of audiovisual works, I will discuss these questions by comparing prior reports, proposals, and submissions from member states of WIPO and factual compilations prepared by WIPO to the most recent substantive submissions of the United States.⁹⁸

A. Should the Instrument be a Stand-Alone Treaty or a Protocol to the WPPT?

Although either a protocol or a treaty may be linked to another treaty, the real question is whether this instrument should be linked to the WPPT.⁹⁹ The arguments for linking the instruments are: (1) a protocol was originally conceived at the Diplomatic Conference in 1996;¹⁰⁰ (2) “it would be politically and technically easy to add protection of audiovisual performances to the WPPT” because aural and audiovisual performance rights are closely related, and many of the same provisions may be incorporated;¹⁰¹ and (3) “[t]he term ‘Protocol’ would better reflect the existence of a shared administrative organ” which would be more in line with the objectives of WIPO to streamline administrative organs.¹⁰² The arguments against linking the instru-

ments are: (1) the protected subject matter in the two instruments is different, and, therefore, the new instrument would not extend or modify the WPPT but would add a completely new area of protection;¹⁰³ (2) technically, it will be a separate treaty because it requires a separate procedure of accession or ratification and will come into force independent of the WPPT;¹⁰⁴ and (3) “[i]t is more simple and more clear for users to set out all the provisions of an instrument *in extenso*, even if those provisions are the same.”¹⁰⁵

The European Community favors a protocol conditioned on membership in the WPPT with a simple and flexible structure, without elaborate administrative and final clauses, which contains only “the modifications absolutely necessary to accommodate the differences between sound and audiovisual performances.”¹⁰⁶ It views the protocol as a way to improve and modernize protection for performers in audiovisual works and recommends that the protection for audiovisual performers should correspond with the protection given to aural performers under the WPPT without discriminating between the two sectors but noting the differences.¹⁰⁷ The Asian group prefers a protocol but does not want it to be conditioned on membership in the WPPT.¹⁰⁸ Several commentators have noted that the overlap of aural and audiovisual performances in videos and multimedia products favors a protocol solution.¹⁰⁹

Conversely, the United States and India would prefer an independent treaty that responds to the unique labor and contractual practices of the audiovisual industry in view of the substantial scope of investment in audiovisual works.¹¹⁰ While some of the arguments supporting their position mirror the arguments of the European Community in support of a protocol, such as ease of understanding and implementation, the application is notably divergent.¹¹¹

If the four-year long process to resolve the questions regarding an audiovisual performance right is any indication of what the future might hold concerning implementation and maintenance of these rights, it was prudent of the contracting parties to agree to have these rights contained in a stand-alone treaty. The major distinctions between the rights established in the WPPT and WIPO Audiovisual Performances Treaty (hereinafter “Treaty”) are the scope of the works involved and the amount of capital required to create those works. Generally, audio works are created in one country and do not require extensive capital investment, whereas audiovisual works may be filmed in more than one country by a multinational production team with a multinational cast and require complex and immense capital investment. Therefore, the distinct subject matter of audiovisual performances is outside the scope of the WPPT and requires a new form of protection.

B. Should There Be a Presumed Transfer of All the Performers' Exclusive Rights to the Producer Upon Consent by the Performer to Fixation of the Performance, Unless Otherwise Provided by Written Contractual Clauses to the Contrary?

In constructing the transfer of rights provision, WIPO considered the following:

1. The objective to strengthen the international legal framework for protection of performers' rights while preserving the potential for bargaining.¹¹²
2. The multinational cast of performers in audiovisual productions.¹¹³
3. The need for producers to secure business certainty to distribute and exploit audiovisual works and to facilitate individual and collective bargaining with a single rightholder.¹¹⁴
4. The need to provide all the necessary means and modalities to deal with this new type of protection.¹¹⁵
5. The need to build a bridge between the different systems developed around the world to deal with contractual arrangements in audiovisual productions.¹¹⁶

Presently, there are four proposals for solving this problem. First, transfer all of the performer's exclusive rights of authorization provided in the Instrument to the producer with respect to that particular fixation once the performer has consented to perform in an audiovisual fixation subject to written contractual clauses to the contrary.¹¹⁷ This would be a rebuttable presumption and would not apply to rights of remuneration nor extend to moral rights.¹¹⁸ If this provision were optional, producers would not have predictability in the recognition of the transfer in other countries.¹¹⁹

Second, deem the producer entitled to exercise the exclusive rights of authorization provided in the Treaty with respect to that particular fixation once the performer has consented to perform in an audiovisual fixation subject to written contractual clauses to the contrary.¹²⁰ Performers still would own their rights and could assert them subject to applicable contracts or national legislation.¹²¹ Under this provision, producers would have the certainty they need to exploit the work.¹²²

Third, the transfer to the producer, by agreement or operation of law, of any of the exclusive rights of authorization provided in the Treaty shall be governed by the law of the country most closely connected with the particular audiovisual fixation, subject to written contractual clauses to the contrary.¹²³ The country most closely connected shall be determined by a points of

attachment analysis which starts at the place where the producer has his headquarters or habitual residence, moves to the place where the majority of performers are nationals, and ends at the place where the principal photography takes place.¹²⁴ This provision, which is based on private international law, gives some certainty to the producer as to which national law will apply but does not harmonize national laws.¹²⁵ And fourth, no provision. Although this solution would allow countries to create their own solutions at the national level, it most likely would sustain the current situation.¹²⁶

In the most recent U.S. proposals concerning transfer of rights, we are reminded that the purpose of an international treaty is to provide certainty as to the rights created by or recognized in the treaty, and that in certain territories these will be new rights.¹²⁷ Therefore, it is imperative that the transfer and control of these rights be addressed in the treaty.¹²⁸ The U.S. proposals rely upon provisions of the Berne and Rome Conventions that encourage the transfer of rights to facilitate exploitation of audiovisual works.¹²⁹ Thereunder, the performer's consent to fixation of the performance provides a rebuttable presumption of transfer of the following exclusive rights: authorization for broadcasting and communication to the public of their unfixed and fixed performances; direct or indirect reproduction and distribution through sales; and making available to the public by wire or wireless means or commercial rental.¹³⁰ Notably, this transfer would not apply to moral rights or to rights of remuneration that may or may not be established in national legislation. Although many countries have a presumption of transfer in their national laws, this approach may require some countries to change their laws and impose a new system of rights transfers on their domestic audiovisual production industries.¹³¹

Conversely, the Canadian approach would allow the country of origin to control whether the exclusive rights of authorization should be presumed transferred subject to rebuttal by written agreement, but would not require any countries to adopt transfer provisions in their national laws.¹³² The hazard of this approach is that determining the country of origin of a work could be subject to improper manipulation.¹³³ The proposal by Certain African Countries addresses this concern and recommends that the determination of the governing law should be based on the headquarters or habitual residence of the maker of the work or, in certain circumstances, the country in which the performer has his habitual residence.¹³⁴ The third approach discussed above embraces both of these proposals by suggesting a points of attachment analysis to determine the country of origin of an audiovisual work. The possible complication to this approach is that one or more of the categories under analysis may involve multiple nationalities.¹³⁵

While India and Japan agree that some provision on transfer of rights has to be included in the Treaty, the proposal they endorse follows the “presumption of legitimation” clause of Article 14*bis*(2)(b) of the Berne Convention.¹³⁶ The second proposal mentioned above is based on this approach. The variance in the Japanese proposal is that it allows countries to opt out, permits rebuttal by contract, and provides an exception for nationals of the opting-out country. The exception would allow a national of an opting-out country to decide individually whether he wants to opt in or opt out of this provision.¹³⁷ The United States has noted that if nationals of opt-out countries select participation in the system, the result would be that the rights of performers from different nations might be treated differently in the same production.¹³⁸

Antithetically, the European Community believes the Treaty should not call into question existing domestic and international frameworks on transfer of rights and therefore should remain silent on this issue.¹³⁹

Upon review of the above proposals and the various national systems that have been established, it seems that unless a performer has contractual leverage, he will have gained only moral rights by the acceptance and implementation of the Treaty. Although many national systems provide for the transfer of rights to the producer in order to facilitate exploitation, some type of remuneration generally exists to compensate performers for this transfer. Therefore, it would seem that guaranteeing remuneration to performers for this transfer should be the goal of the Treaty. Unfortunately, there is no guarantee performers will receive equitable remuneration if contracting parties are permitted to opt out of providing an equitable framework for the transfer of these rights at the national level, and the transfer of these rights is based on such national systems. The inability of the contracting parties to come to an agreement regarding this provision has delayed the acceptance and implementation of the Treaty.¹⁴⁰

C. Should National Treatment Be Adopted?

Two alternatives have been suggested in the draft Basic Proposal for the applicability of the national treatment principle.¹⁴¹ The first alternative extends the obligation of national treatment to the rights specifically granted in the proposed Treaty and to any additional rights a country accords its own nationals.¹⁴² The obligation would extend to exclusive rights and rights of remuneration.¹⁴³ Any additional rights granted to nationals may be granted on a reciprocal basis.¹⁴⁴ While the second alternative does not extend to additional national rights, the provision specifically includes the right of equitable remuneration provided for under article 11 with respect to the right of broadcasting and communication to the public.¹⁴⁵ Unfortunately, the exclusive right of broadcasting and communication to the public

is another illusive right in the Treaty that a contracting party may opt out of providing to performers.¹⁴⁶ In the alternative, a contract may establish a right to equitable remuneration that may be conditioned upon or limited by national legislation.¹⁴⁷

The arguments surrounding national treatment can only be decided once the contents of the Instrument have been agreed upon.¹⁴⁸ Certain African countries have proposed that national treatment should be similar to national treatment under the Berne Convention, whereby a country shall be entitled to limit national protection granted to nationals of another country to the protection granted in that other country.¹⁴⁹ Japan’s most recent proposal follows the Rome Convention’s cut-off provision, which extinguishes the performer’s rights once he has consented to fixation unless there is a contrary contract provision.¹⁵⁰ Furthermore, it permits countries to be exempt from national treatment in order to allow a country which recognizes these rights to protect their own nationals without according reciprocal treatment to nationals of other countries in which these rights are not recognized.¹⁵¹

While the proposal of the United States broadly asserts that national treatment should extend to three categories of rights protected by the treaty, it also permits countries to opt out of the right to provide remuneration.¹⁵² The categories of rights are: the exclusive rights in the treaty; rights derived from the exclusive rights, including, but not limited to, rights of remuneration such as private copying royalties; and any other additional rights or protection that a country provides under its domestic law.¹⁵³ The additional national rights would be extended on a reciprocal basis to the nationals of other countries that also provide equivalent protection for their nationals.¹⁵⁴ For example, some countries consider rental rights to be an element of the distribution right, while other countries consider this a separate right. In such a case, the national treatment principle would apply.¹⁵⁵

Since all the proposals presume that performers transfer their exclusive rights to the producer once they consent to fixation, it appears that the only rights that may be subject to national treatment are the rights of remuneration, if applicable, and the moral right. While the Treaty permits a right to remuneration for broadcasting and communication to the public,¹⁵⁶ an early version of the U.S. proposal makes no specific mention of a grant of this right.¹⁵⁷ It seems this right has been subsumed by the clauses throughout the U.S. proposals and the Treaty that refer to the freedom of countries to determine the conditions under which certain rights apply,¹⁵⁸ as determined in national laws.¹⁵⁹ Therefore, if rights of remuneration do exist in national legislation, even though countries are not required to establish such rights, it is not clear whether these rights would auto-

matically be transferred to the producer along with the rest of the performer's exclusive economic rights. Under this system, there is no certainty for the performer or the producer even though a national treatment provision that combines both options stated above has been adopted in the Treaty.

V. Conclusion

It is essential that audiovisual performers gain economic and moral rights in their performances as soon as possible. As technology and methods of communication advance, new business models may be established which create new and expanded uses for audiovisual performances globally. In order for performers to receive equitable compensation for these new uses, a uniform international system for compensation should be established. In view of the huge amounts of creative and capital investment required to produce an audiovisual work and the international character of these contributions, it is not surprising that the contract principles of the entertainment industry have been extended to the Treaty. Due to the uniqueness and divisibility of these rights from traditional copyright in many countries, a stand-alone Treaty addressing these rights is a wise choice. By ensuring performers remuneration for the transfer of their rights, whether presumed or by contract, the Treaty endeavors to find an equitable solution to the realities of the film industry and to afford performers the global protection they deserve for their efforts. Finally, the national treatment principle will only be beneficial if it is adopted on a reciprocal basis without reservation. The bottom line is that without national legislation and international cooperation there will not be any rights for performers to contract away.

Endnotes

1. WIPO is an intergovernmental organization with over 170 member countries. It is headquartered in Geneva, Switzerland. As one of the specialized agencies of the United Nations, it "is responsible for the promotion of the protection of intellectual property throughout the world through cooperation among States, and for the administration of various multilateral treaties dealing with the legal and administrative aspects of intellectual property." For the WIPO Web site, containing information concerning the purpose of WIPO and its various functions, draft treaties, conference reports, special reports, press reports, etc., visit .
2. *Basic Proposal for the Substantive Provisions of the Treaty for the Protection of the Rights of Performers and Producers of Phonograms to Be Considered by the Diplomatic Conference*, WIPO Doc. CRNR/DC/6 (Aug. 30, 1996), arts. 2, 5 (covering definitions and the moral rights provision).
3. World Intellectual Property Organization Performances and Phonograms Treaty, adopted by Diplomatic Conference at Geneva, Dec. 20, 1996, 36 I.L.M. 76, WIPO Doc. CRNR/DC/95 (Dec. 23, 1996) (hereinafter "WPPT").
4. *See Existing National and Regional Legislation Concerning Audiovisual Performances*, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances, at ¶¶ 7-8, WIPO Doc. AP/CE/I/2 (June 30, 1997) (noting that an Instrument to the WPPT would only have to deal with aspects not covered by the WPPT which appeared to be performers' moral rights in their live and fixed audiovisual performances, economic rights in fixation of their unfixed performances, and economic rights for use of audiovisual fixations of their performances).
5. *See Resolution Concerning Audiovisual Performances*, WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, WIPO Doc. CRNR/DC/99 (Dec. 23, 1996).
6. *See, e.g., Basic Proposal for Administrative and Final Provisions of the International Instrument on the Protection of Audiovisual Performances to be Considered by the Diplomatic Conference*, WIPO International Bureau, WIPO Doc. IAVP/DC/4 (Sept. 22, 2000); *Basic Proposal for the Substantive Provisions of an Instrument on the Protection of Audiovisual Performances to be Considered by the Diplomatic Conference*, Chairman of the WIPO Standing Comm. on Copyright and Related Rights, WIPO Doc. IAVP/DC/3 (Aug. 1, 2000); *Draft Agenda*, WIPO Preparatory Comm. for the Diplomatic Conference, WIPO Doc. IAVP/DC/1 (June 22, 2000); *Report*, Secretariat of the Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/6 (Apr. 18, 2000); *Recommendation on Holding of a Diplomatic Conference on the Protection of Audiovisual Performances*, WIPO General Assembly, 25th Sess., WIPO Doc. WO/GA/25/2 (Apr. 13, 2000); *Report on the Regional Consultation Meeting for Countries of Latin American and the Caribbean*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/7 (Apr. 13, 2000); *Proposal by Certain African Countries Relating to Transfer*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/8 Corr. (Apr. 13, 2000); *Report on the Regional Consultation of Central European and Baltic States on the Protection of Audiovisual Performances*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/5 (Apr. 11, 2000); *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., (Apr. 6, 2000); *Submission of the United States of America on the New Article 4*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/3 (Feb. 21, 2000); *Submission on Behalf of the European Community and Its Members on the Protection of Performers' Rights in Their Audiovisual Performances*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/2 (Feb. 7, 2000) (footnote shortened due to space limitations).
7. *See generally Report*, WIPO Standing Comm. on Copyright and Related Rights, 3rd Sess., WIPO Doc. SCCR/3/11 (Dec. 1, 1999); *Existing National and Regional Legislation Concerning Audiovisual Performances*, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances, WIPO Doc. AP/CE/I/2 (June 30, 1997); *Information Received from Member States of WIPO Concerning Audiovisual Performances*, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances, WIPO Doc. AP/CE/I/3 (June 15, 1997); *Information Received from Member States of WIPO and from the European Community and its Member States*, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances, WIPO Doc. AP/CE/I/3 Add. (July 15, 1997).
8. *See generally* Paul Edward Geller, *Introduction*, in 1 *International Copyright Law and Practice* § 2 (Paul Edward Geller ed. 1999).
9. *See id.* at 21-23.
10. *See id.* at 22-24.
11. *Id.*
12. *Id.* at 23. *See generally* 3 Melville B. Nimmer and David Nimmer, *Nimmer on Copyright* § 8D, 5-6 (1999):

In brief, the following summary encompasses the various rights that can be grouped under this rubric [of moral rights]. First, there are numerous variations on the attribution right (*droit au respect du nom*; also, *droit à la paternité*):

- the right to be known as the author of his work;
- the right to prevent others from falsely attributing to him the authorship of a work that he has not in fact written;
- the right to prevent others from being named as the author of his work;
- the right to publish a work anonymously or pseudonymously, as well as the right to change his mind at a later date and claim authorship under his own name;
- the right to prevent others from using the work or the author's name in such a way as to reflect adversely on his professional standing.

In addition, there are several distinct categories that comprise the classic *droit moral*:

- the right to prevent others from making deforming changes in his work (*droit au respect de l'oeuvre*);
- the right to publish a work, or to withhold it from dissemination (*droit de divulgation*); and
- the right to withdraw a published work from distribution if it no longer represents the views of the author (*droit de retrait*; also, *droit de repentir*).

13. See Geller, *supra* note 8, at 23.
14. See generally Robert A. Gorman & Jane C. Ginsburg, Copyright for the Nineties 1-49 (4th ed. 1993) (hereinafter "Copyright for the Nineties") (outlining the history of copyright law).
15. Geller, *supra* note 8, at 23-26.
16. *Id.*
17. *Id.*
18. *Id.* at 25 ("Administering these alternative rights of remuneration raises questions previously answered by contract or by the courts in assessing damages. Some of these questions are: What sum shall be paid for a given use? Who shall make and receive such payments? How shall they be collected, allocated, and disbursed?").
19. *Id.* at 25-26.
20. *Id.* at 27-30.
21. Webster's Universal College Dictionary 609 (1997) (hereinafter "Webster's").
22. Geller, *supra* note 8, at 27.
23. See, e.g., 17 U.S.C. § 106.
24. See, e.g., 17 U.S.C. § 201(d).
25. See generally Nimmer on Copyright, *supra* note 12, § 8D, at 10-29 (discussing the limited recognition of moral rights under United States laws).
26. See generally Geller, *supra* note 8, at 27-36.
27. See *id.* at 27.
28. See *Feist Publications v. Rural Telephone Service*, 499 U.S. 340, 345 (1991).
29. See 17 U.S.C. § 102(a).
30. See 17 U.S.C. § 101.
31. See Bonnie Teller, *Toward Better Protection of Performers in the United States: A Comparative Look at Performers' Rights in the United States, Under the Rome Convention and in France*, 28 Colum. J. Transnat'l L. 775, 779-80 (1990):

[T]he failure of collective bargaining agreements to increase performers' per capita salaries through greater access to royalty and residual income has been attributed to a number of factors, including the lasting effect of the limitations placed on performers' rights to strike under the now repealed Lea Act, the Taft-Hartley Act's ban on secondary boycotts, the relatively small number of employed performers and their resulting inability to effectively strike, the historic failure of the American Federation of Musicians to effectuate change, and the remarkably strong bargaining power of broadcasters.

32. But see Copyright in the Nineties, *supra* note 14, at 814; see, e.g., *Rooney v. Columbia Pictures Indus.*, 538 F. Supp. 211 (S.D.N.Y.), *aff'd mem.*, 714 F.2d 117 (2d Cir. 1982), *cert. denied*, 460 U.S. 1084 (1983) (rejecting actor Mickey Rooney's claim that the film producer violated Rooney's right of publicity by authorizing the sale of videocassettes of movies in which Rooney had performed and holding that Rooney's contract allowed the exploitation).
33. Webster's, *supra* note 21, at 248.
34. Geller, *supra* note 8, at 27-28.
35. See generally André Lucas, *France*, in 1 International Copyright Law and Practice § 1 (Paul Edward Geller ed., 1999).
36. See generally *id.* at § 7.
37. See generally *id.* at § 4.
38. See Geller, *supra* note 8, at 27-28; see generally Lucas, *supra* note 35, at § 1.
39. *Id.*
40. *Id.*
41. *Id.*
42. See Lucas, *supra* note 35, § 2, at 13 (noting that article 2 of the 1957 Copyright Act states that "the provisions of this law shall protect the rights of authors in all intellectual works, regardless of their kind, form of expression, merit, or purpose.")
43. See *id.* § 4, at 45-46 (including but not limited to the author of the scenario, the author of the adaptation, the author of the dialogue, the author of the musical compositions and the director).
44. See also *id.* (noting that persons participating in the actual production but without creative input such as producers, engineers, or technicians are not co-authors).
45. See generally *id.* § 9.
46. See *id.* § 9, at 129.
47. See *id.*
48. See *id.* § 9, at 129-130 (noting that the contract between a performing artist and a producer is governed by a statute which seems to mandatorily authorize transfer of the performer's economic rights to the producer).
49. See *id.*
50. Webster's, *supra* note 21, at 518-19.
51. See Geller, *supra* note 8, at 28.
52. See Dr. Adolf Dietz, Germany, in 2 International Copyright Law and Practice (Paul Edward Geller ed., 1999) § 4, at 50 (noting that as a work is more widely exploited, it more widely promotes its author's personal reputation and disseminates his ideas and as the author restrains distortions of his work, he keeps its commercial exploitation from being impaired by corruptions in that work. Therefore as authorship is attributed to him, the commercial value of his work is enhanced.).
53. See Geller, *supra* note 8, at 28.
54. See *id.* at 29.

55. *See id.* at 28.
56. *See* Dietz, *supra* note 51, § 2, at 22.
57. *See id.* at 23.
58. *See id.* at 26.
59. *See id.* at 47.
60. *Id.*
61. *See id.*
62. *See id.*
63. *See id.* at 124.
64. *See id.*
65. *See id.* at 130.
66. *See id.* at 123-24.
67. *See* 17 U.S.C. § 101; *id.* at § 201(b). *See also* Bonnie Teller, *Toward Better Protection of Performers in the United States: A Comparative Look at Performers' Rights in the United States, Under the Rome Convention and in France*, 28 Colum. J. Transnat'l L. 775, 779-80 (1990).
68. *See* Teller, *supra* note 31, at 775-76, explaining the French implementation of article 18 of the Law of July 3, 1985:

With regard to audiovisual works, the performer's signature on a contract implies authorization, although separate remuneration for each mode of exploitation must be set forth. If the contract does not stipulate separate remuneration, a compulsory licensing system kicks in, with rates established through collective bargaining or by a committee chaired by a magistrate.

See generally Performers' Intellectual Property Rights, Scope of extended rights for performers under the Copyright Act 1968, Discussion Paper, Australian Attorney-General's Department and the Australian Department of Communications and the Arts of Australia, Attachment C, ¶ C.6 (Dec. 1997), at , noting:

Performers' rights have long been a subject of controversy internationally. The European approach has been to grant performers' rights in respect of uses of their live performances and recordings of these performances regardless of the media (sound only or audiovisual). Common law countries have generally not granted such rights to performers and, where they have done so, they have usually been in a restricted form with an emphasis on freedom of contract and not unduly restricting the exercise of the trading rights in the product embodying the performance. While U.S. law could accommodate rights for performers on sound recordings, treating them as joint authors with the producers of the sound recordings, actors in films and television programs enjoy no such status in regard to the productions in which they appear, being dependent entirely on their contracts with the producer.
69. *See Existing National and Regional Legislation Concerning Audiovisual Performances, Memorandum prepared by the International Bureau, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances*, ¶¶ 30-57, WIPO Doc. AP/CE/I/2 (June 30, 1997). In Namibia, Nigeria, South Africa, Trinidad and Tobago, performers gain various rights if their performance was fixed without their consent. Rights of remuneration in some form are granted in Argentina, China, Paraguay, and Uruguay. Some form of the cut-off provision of the Rome Convention is applied in Canada, Colombia, Dominican Republic, Guinea, India, Ireland, Rwanda, Belarus, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Congo, Hungary, Japan, Latvia, Mexico, Barbados, Saint Vincent and the Grenadines. On the other hand, the Democratic Republic of the Congo, Israel, New Zealand, Peru, Philippines, Thailand, Australia, Ecuador, Estonia, Gabon, Iceland, Jamaica, Saint Lucia, Kenya, Malawi and Zambia grant the reproduction right of the Rome Convention without the cut-off provision with some additional rights such as remuneration for broadcasting, cable distribution, rental and private copying (blank tape levy). *See also* 17 U.S.C. § 1101 (1999). The United States limits protection to unauthorized fixation, reproduction, distribution and rental of live musical performances and requires written consent by the performer to transfer these rights. This protection does not preempt state law.
70. *See Existing National and Regional Legislation Concerning Audiovisual Performances, Memorandum prepared by the International Bureau, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances*, ¶¶ 28-29, 56-58, WIPO Doc. AP/CE/I/2 (June 30, 1997). The Cartagena Agreement grants performers the right to authorize the reproduction of fixations of their performances and allows Member States to set limits on this right in accordance with the Rome Convention. The directive of the European Community grants performers exclusive rights in audiovisual fixations irrespective of whether made with or without the consent of the performer, without a cut-off provision, for reproduction, distribution, and rental, with exceptions in the national legislation of certain Member States of that Community.
71. *See* International Convention for the Protection of Performers, Producers and Phonograms and Broadcasting Organizations, Rome, Oct. 26, 1961, 496 U.N.T.S. 43 (hereinafter "Rome Convention"); Nimmer on Copyright, *supra* note 12, § 8E, at 4 (noting that the United States never joined the Rome Convention due to its common law legal tradition). *See generally* Rebecca A. Martin, *The WIPO Performances and Phonograms Treaty: Will the U.S. Whistle a New Tune?*, 44 J. Copyright Soc'y 157 (comparing the Rome Convention with the WIPO Performances and Phonograms Treaty); Teller, *supra* note 75, n. 106 at 788 (1990):

The Rome Convention governs the rights of performers, producers of phonograms and broadcasting organizations. The loosely connected group is said to have "neighboring rights," that is, rights similar to, but not subsumed under, national copyright laws. Historically, all three groups were thought not to have contributed sufficient creativity to their works to rise to the level of "authors" under copyright laws.
72. *See generally* Martin, *supra* note 71, at 160-61.
73. *See* Rome Convention, *supra* note 71, at arts. 7, 19 (protecting performers from the broadcast, fixation and reproduction of performances without consent in article 7 but denying all protection to performers once they consent to fixation in article 19); *Existing National and Regional Legislation Concerning Audiovisual Performances, Memorandum prepared by the International Bureau, WIPO Comm. of Experts on a Instrument Concerning Audiovisual Performances*, ¶¶ 18, 23-26, WIPO Doc. AP/ce/I/2 (June 30, 1997) (noting that the Rome Convention leaves it to the legislation of the contracting states to rule on the use of fixations made for broadcasting purposes and does not provide in favor of performers for further rights to authorize or prevent exploitation of fixed performances).
74. *Id.*
75. WPPT, *supra* note 3.
76. *Id.* art. 1.
77. *Id.* art. 5. *See* Martin, *supra* note 73, at 167 ("Prior to the WPPT, moral rights had never been granted to performers and producers in a Convention. While the Berne Convention grants moral rights to authors, neighboring rights had never been considered worthy of them.").
78. *Id.* art. 6.
79. *Id.* art. 10.
80. *Id.* art. 7.

81. *Id.* art. 8.
82. *Id.* art. 9.
83. *Id.* art. 5.
84. *Id.* art. 6. Article 6 expands similar rights found under article 7 of the Rome Convention and art. 14(1) of the TRIPs Agreement. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, pmbl., Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, art. 14(1), 33 I.L.M. 1197 (1994) (hereinafter "TRIPs Agreement").
85. See Susan A. Mort *The WTO, WIPO & the Internet: Confounding the Borders of Copyright and Neighboring Rights*, 8 Fordham Intell. Prop. Media & Ent. L.J. 173, 208 (1997).
86. See WPPT, *supra* note 3, art. 7; The Rome Convention previously granted "the possibility of preventing" reproduction without their consent. Rome Convention, *supra* note 71, art. 7(1)(c); Mort, *supra*, note 85, at 208.
87. See WPPT, *supra* note 3, arts. 8, 9.
88. WPPT, *supra* note 3, art. 6(i). See Martin, *supra* note 71, at 173 ("The only hole the WPPT fails to patch [in the Rome Convention] is the performers' right to compensation for unfixed performances, which are already a part of a broadcast performance. Article 7(1)(a) of Rome permits countries to deny compensation for such performances.")
89. *Id.* art. 15.
90. Martin, *supra* note 71, at 167. See also 4 Nimmer on Copyright, *supra* note 12, § 17, at 13.
91. Martin, *supra* note 71, at 167.
92. See World Intellectual Property Organization Treaty, art. 14(1), adopted by Diplomatic Conference at Geneva, Dec. 20, 1996, I.L.M. 65 (1997) (hereinafter "WIPO Copyright Treaty").
93. Compare WPPT, *supra* note 3, arts. 16, 18, 19, 22, 23 with WIPO Copyright Treaty, *supra* note 92, arts. 10, 11, 12, 13, 14.
94. WPPT, *supra* note 3, art. 15.
95. See *id.* art. 15(2), (4). The contracting parties may also choose to limit, or not apply at all, the right of remuneration. This is the only means by which a party may make a reservation to the WPPT; *id.* arts. 15(3), 21.
96. *Id.* art. 17; Rome Convention, *supra* note 71, art. 14; TRIPs Agreement, *supra* note 84, art. 14(5).
97. WPPT, *supra* note 3, art. 20.
98. See *Proposal by the Delegation of the United States of America on Amendment to Article 12*, Diplomatic Conference on the Protection of Audiovisual Performances, WIPO Doc. IAVP/DC/22 (Dec. 13, 2000); *Proposal by the Delegation of the United States of America on Amendment to Article 4*, Diplomatic Conference on the Protection of Audiovisual Performances, WIPO Doc. IAVP/DC/8 (Dec. 11, 2000); *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/4 (Apr. 6, 2000); *Submission of the United States of America on the New Article 4*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/3 (Feb. 21, 2000); *Submission of the United States of America*, WIPO Standing Comm. on Copyright and Related Rights, 3rd Sess., Agenda Item 4, WIPO Doc. SCCR/3/7 (Nov. 3, 1999).
99. See *Basic Proposal for the Substantive Provisions of an Instrument on the Protection of Audiovisual Performances to be Considered by the Diplomatic Conference*, Chairman, WIPO Standing Committee on Copyright and Related Rights, ¶ 1.04, WIPO Doc. IAVP/DC/3 (Aug. 1, 2000) (hereinafter "WIPO Substantive Provisions"); *Basic Proposal for Administrative and Final Provisions of the International Instrument on the Protection of Audiovisual Performances to be Considered by the Diplomatic Conference*, WIPO International Bureau, ¶ 3, WIPO Doc. IAVP/DC/4 (Sept. 22, 2000) (hereinafter "WIPO Administrative Provisions").
100. See WIPO Substantive Provisions, *supra* note 99, at ¶ 1.05; WIPO Administrative Provisions, *supra* note 99, at ¶ 4(i).
101. WIPO Substantive Provisions, *supra* note 99, at ¶ 1.05.
102. WIPO Administrative Provisions, *supra* note 99, at ¶ 4(ii). See *Report*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., ¶23, WIPO Doc. SCCR/4/6 (Apr. 18, 2000) (hereinafter "WIPO Report 2000").
103. See WIPO Substantive Provisions, *supra* note 99, at ¶ 1.06.
104. See WIPO Administrative Provisions, *supra* note 99, at 5(i).
105. *Id.* at 5(ii) (emphasis in original).
106. WIPO Report 2000, *supra* note 102, at ¶ 12.
107. See *Submission on Behalf of the European Community and Its Member States on the Protection of Performers' Rights in Their Audiovisual Performances*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., ¶ 3, WIPO Doc. SCCR/4/2 (Feb. 7, 2000); *Report*, WIPO Standing Comm. on Copyright and Related Rights, 1st Sess., ¶ 21, WIPO Doc. SCCR/1/9 (Nov. 10, 1998) (hereinafter "WIPO Report 1998").
108. See WIPO Report 1998, *supra* note 107, ¶ 26 (China, Senegal, Switzerland).
109. See *id.* at ¶ 20.
110. See WIPO Report 1998, *supra* note 107, at ¶¶ 24-25.
111. See WIPO Report 2000, *supra* note 102, at ¶ 32.
112. See WIPO Substantive Provisions, *supra* note 99, at 52.
113. *Id.*
114. *Id.*
115. *Id.*
116. *Id.*
117. WIPO Substantive Provisions, *supra* note 99, at 55.
118. *Id.* at 54.
119. *Id.*
120. *Id.*
121. *Id.*
122. *Id.*
123. *Id.* at 57.
124. *Id.* at 56-57.
125. *Id.* at 56.
126. *Id.* at 54.
127. *Proposal by the Delegation of the United States of America on Amendment to Article 12*, Diplomatic Conference on the Protection of Audiovisual Performances, WIPO Doc. IAVP/DC/22 (Dec. 13, 2000); *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., ¶¶ 2-3, WIPO Doc. SCCR/4/4 (Apr. 6, 2000).
128. *Id.* at ¶ 3.
129. See *Submission of the United States of America*, WIPO Standing Comm. on Copyright and Related Rights, 3rd Sess., Agenda Item 4, art. 12, WIPO Doc. SCCR/3/7 (Nov. 3, 1999).
130. *Id.*
131. *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, ¶ 16, WIPO Doc. SCCR/4/4 (Apr. 6, 2000).
132. *Id.*
133. *Id.*

134. *Proposal by Certain African Countries for Amendment to Article 12, Diplomatic Conference on the Protection of Audiovisual Performances*, 2, WIPO Doc. IAVP/DC/28 (Dec. 15, 2000).
135. *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, ¶ 16, WIPO Doc. SCCR/4/4 (Apr. 6, 2000).
136. See WIPO Report 2000, *supra* note 102, at ¶ 40.
137. See *id.*
138. See *Submission of the United States of America on Transfer*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., ¶ 16, WIPO Doc. SCCR/4/4 (Apr. 6, 2000).
139. See *Submission on Behalf of the European Community and Its Member States on the Protection of Performers' Rights in Their Audiovisual Performances*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., ¶ 5, WIPO Doc. SCCR/4/2 (Feb. 7, 2000).
140. See Telephone Interview with Michael S. Keplinger, Senior Counselor, Office of Legislative and International Affairs of the Patent and Trademark Office in Arlington, Va. (Feb. 23, 2001) (advising that all the substantive provisions of the Treaty have been agreed upon except the Americans and Europeans have not been able to come to an agreement on the transfer of rights and choice of law provisions).
141. See WIPO Substantive Provisions, *supra* note 99, at 30-31.
142. See *id.*
143. *Id.* at 30.
144. *Id.* at 31.
145. *Id.* at 30-31.
146. See *Outcome of the Discussions in the Working Group*, Diplomatic Conference on the Protection of Audiovisual Performances, 3-4, WIPO Doc. IAVP/DC/34 (Dec. 19, 2000).
147. See *id.*; WIPO Substantive Provisions, *supra* note 99, at 48-49.
148. See WIPO Report 2000, *supra* note 102, at ¶ 36.
149. See *id.* at ¶ 59.
150. See *Supplementary Explanation on Japan's Proposal for a Instrument to the WIPO Performances and Phonograms Treaty Concerning Audiovisual Performances*, WIPO Standing Comm. on Copyright and Related Rights, 3rd Sess., Agenda Item 4, WIPO Doc. SCCR/3/3 (July 30, 1999).
151. See *id.*
152. See *Submission of the United States of America on the New Article 4*, WIPO Standing Comm. on Copyright and Related Rights, 4th Sess., WIPO Doc. SCCR/4/3 (Feb. 21, 2000).
153. See *id.*
154. See *id.*; WIPO Report 2000, *supra* note 102, at ¶ 13.
155. See *id.* at ¶ 38.
156. See WPPT, *supra* note 3, art. 15.
- 157.
158. See, e.g., *Submission of the United States of America*, WIPO Standing Comm. on Copyright and Related Rights, 3rd Sess., Agenda Item 4, art. 8, WIPO Doc. SCCR/3/7 (Nov. 3, 1999).
159. *Id.* art. 11.

Donna Furey is a fourth-year evening student at St. John's University School of Law, where she has been a member of the *New York International Law Review* and President of the Entertainment, Arts and Sports Law Society. She would like to thank Professor Joseph J. Beard for guidance in preparation of this article, a version of which won Third Prize in the 2000 Intellectual Property Law Student Writing Contest.

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Matthew David Brozik, a commercial litigator associated with Ackerman, Levine, Cullen & Brickman, LLP of Great Neck, Long Island, has revised the 'Trial Techniques in Trademark Cases' chapter of the treatise *Intellectual Property Counseling and Litigation*, published by Matthew Bender.

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New York State Bar Association:

INTELLECTUAL PROPERTY LAW SECTION

Membership in the New York State Bar Association's Intellectual Property Law Section is a valuable way to:

- enhance professional skills;
- keep up-to-date with important developments in the legal profession;
- join colleagues in exciting Section events.

OPPORTUNITIES FOR EDUCATION

The Intellectual Property Law Section offers both the experienced and novice practitioner excellent opportunities to enhance their practical and legal knowledge and expertise. Through Section activities, including conferences on intellectual property (an annual fall event), members may examine vital legal developments in intellectual property law. The Section's Web site provides current information regarding Section events and offers "members only" access to current issues of *Bright Ideas* and current Committee bulletins providing updates on intellectual property law. The Section plans to sponsor continuing legal education (CLE) credit-bearing programs for Section members at reduced rates. Recent programs offered by the Section related to computer software and biotechnology protection, conducting intellectual property audits, and practical considerations in trade secret law. The Section sponsors an annual Intellectual Property Law writing contest for New York State Law Students.

OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT

Intellectual Property Law Section committees address unique issues facing attorneys, the profession and the public. The Section offers opportunities to serve on committees such as Patent Law; Trademark Law; Copyright Law; Internet Law; Trade Secrets; Technology, Transfer and Licensing; Young Lawyers, and the Special Committee on the Impact of the Uniform Computer Information Transaction Act on Intellectual Property Law.

Committees allow you to network with other attorneys from across the state and give you the opportunity to research issues and influence the laws that can affect your practice. Committees are also an outstanding way to achieve professional development and recognition. Law students are automatically members of the Young Lawyers Committee. Section members may join more than one committee.

A VOICE IN THE ASSOCIATION

The Intellectual Property Law Section takes positions on major professional issues that affect practitioners and advocates those positions within the New York State Bar Association, the legislature, and the public.

See page 48 to become a member of the Intellectual Property Law Section

COMMITTEE ASSIGNMENT REQUEST

Please designate from the list below, those committees in which you wish to participate. For a list of committee chairs and their e-mail addresses, please refer to page 49 of this issue.

- | | |
|--|-----------------------------|
| ___ Copyright Law (IPS1100) | ___ Trade Secrets (IPS1500) |
| ___ Internet Law (IPS1800) | ___ Trademark Law (IPS1600) |
| ___ Patent Law (IPS1300) | ___ Young Lawyers (IPS1700) |
| ___ Technology, Transfer and Licensing (IPS1400) | |

Please e-mail your committee selection(s) to Naomi Pitts at: npitts@nysba.org

* * *

To be eligible for membership in the Intellectual Property Law Section, you first **must** be a member of the NYSBA.

- ☐ As a member of the NYSBA, I enclose my payment of \$30 for Intellectual Property Law Section dues. (Law student rate: \$15)
- ☐ I wish to become a member of the NYSBA and the Intellectual Property Law Section. I enclose both an Association and Section application with my payment.
- ☐ Please send me a NYSBA application. No payment is enclosed.

Name _____

Office _____

Office Address _____

Home Address _____

E-mail Address _____

Office Phone No. _____

Office Fax No. _____

Home Phone No. _____

Please return payment and application to:

Membership Department
New York State Bar Association
One Elk Street
Albany, New York 12207
Telephone: 518/487-5577
FAX: 518/487-5579
<http://www.nysba.org>

Section Committees and Chairs

The Intellectual Property Law Section encourages members to participate in its programs and to contact the Section officers or Committee Chairs for information.

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SECTION ACTIVITIES AND NOTICES

Internet Law Committee

The continued growth of the Internet has forced lawyers from various practice areas to expand into e-commerce and intellectual property law. Since its founding 2½ years ago, the Internet Law Committee has grown to more than 80 members. The Committee holds luncheon meetings at 12:00 noon on the third Tuesday of every month (except in August and October). The meetings are hosted by Rory Radding at Pennie & Edmonds' New York City offices, with upstate members regularly participating by teleconference.

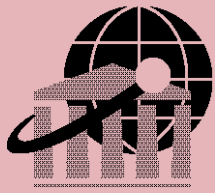
Since the NYSBA's implementation of MCLE credits for Committee meetings, presentations at the meetings have been awarded CLE credits. Topics during the past year addressed a broad range of Internet-related issues, including Napster and MP3.com, DVD copyright cases, the new federal E-Sign Law, Web site security and the emerging legal theory of trespass to chattels as a claim against unauthorized users of a Web site (such as "spiders"), ICANN's proposed new generic top-level domain names, Web site/portal development agreements, and the legal ethics of using e-mail for attorney-client communications, to name a few.

Speaker presentations are followed by a round-table discussion; hot topics are also discussed. If you are interested in joining the Internet Law Committee, please contact Naomi Pitts at the New York State Bar Association via e-mail (npitts@nysba.org) or phone (518-487-5587). Membership is free for Intellectual Property Law Section members, as is the case for all Section Committees.

Submission of Articles

Anyone wishing to submit an article, announcement, practice tip, etc., for publication in an upcoming issue of *Bright Ideas* is encouraged to do so. Articles should be works of original authorship on any topic relating to intellectual property. Initially, submissions may be of any length.

Submissions should preferably be sent on a 3.5" disk (double or high-density) which clearly indicates the word processing program and version used, along with a hard copy or by e-mail to Jonathan Bloom, Executive Editor, at the address indicated on this page. Submissions for the Fall 2001 issue must be received by August 1, 2001.



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