



THE PLAYMATE AND THE PORSCHE

By James B. Astrachan

Porsche Cars, N.A., the exclusive U.S. licensee of Porsche automotive products knew it either had a problem or was in the wrong business when it learned recently that the XXX rated web site, PORSCH.com, averages over 14 million hits a day.

Nor was Playboy Enterprises pleased to learn that a former Playmate of the Year was using its PLAYBOY, PLAYMATE OF THE YEAR and PLAYMATE OF THE MONTH marks at her web site.

So Porsche and Playboy each sued to protect their marks from trademark infringement on the Internet. Playboy couldn't prove its case against the former Playmate, and that decision should impact Porsche's suit filed last month in the U.S. District Court for the Eastern District of Virginia where Network Solutions, the registrar of domain names, has its principal office. Under the NSI Domain Name Dispute Policy, NSI, when notified of suit, arranges to deposit the domain name registration certificates with the court. The suit against 130 web sites was *in rem*, or against the property, because Porsche claims it was unable to learn the addresses of many of the domain names' registered owners. By suing *in rem* it was able to sue in only one jurisdiction, and if it wins, take control of the registrations without having to sue the registrations' owners.

Alleging that its famous mark was diluted under the federal trademark dilution statute by being made a part of others' domain names, Porsche sued domain names in three groups. The first group sells without authorization goods and services that are related to Porsche cars, such as mechanical services and after-market parts. The second group sells no Porsche-related products but employs the PORSCHE mark in their domain names to draw surfers to their sites to sell pornography. The last group are cyberpirates who sell nothing but domain names.

Domain names are essential marketing tools because each computer linked to the Internet has a unique, numerical address, such as 98.37.241.30., known as an IP number. Overlaying each IP number is a domain name. Domain name servers provide tables that link domain names to IP numbers. When a person enters a domain name into the computer, it is converted to the IP number and the web site for that domain name is located. As it is impossible to remember IP numbers, domain names often link a product to a website merely through the trademark associated with that product.

Registration of a domain name is on a first-come, first-serve basis, and it is anonymous, so many people have registered domain names containing famous trademarks merely because they registered with NSI before the trademark's owner. Many of these people have even set up off-shore corporations to traffic anonymously in these domain name registrations.

In its suit, Porsche advances a compelling argument why the court should cancel domain names pertaining to pornography, unrelated goods and services and domain names belonging to cyberpirates who traffic only in domain names. PORSCHE is clearly a famous mark

and these users are unable to state any reason why they should be able to use PORSCHE to conduct their business. But the recently decided Playboy case highlights a weakness in Porsche's case against those people who use the PORSCHE mark in their domain names to honestly advertise that they provide some Porsche-related service, albeit unauthorized.

In Los Angeles, Playboy sued its 1981 Playmate of the Year, Terri Welles, a model who had blessed 13 issues of the magazine. She claimed she had always promoted herself as Playmate of the Year and that use of this mark was merely descriptive -- it tells people who she is. When she donned her cybersuit, she registered the domain name TERRIWELLES, using as a heading to her web site, TERRIWELLES PLAYMATE OF THE YEAR 1981 and as the title of her link page, TERRIWELLES, PLAYBOY PLAYMATE OF THE YEAR 1981. She also used PLAYBOY and PLAYMATE within the key words section of the meta tags, which constitute the internal index of the web site used by some search engines. Her site also contained links to other erotic web sites, and contained advertising banners for some of those sites.

Playboy claimed that Welles' activities diluted its famous marks and created confusion of sponsorship endorsement or affiliation. The court said, "No," because Welles only used Playboy's marks to describe her goods and services so her use was a "fair use." A trademark owner cannot appropriate a descriptive term for its exclusive use and prevent others from accurately and fairly describing the characteristics of their goods and services.

Once it is determined that a defendant is entitled to a fair use defense, the court need not determine whether confusion or dilution exists as the use is protected, especially where the

domain name owner evidences its good faith by using a disclaimer of affiliation between it and the real Porsche.

Alexandria is a world apart from Los Angeles, but Porsche's court will need to grapple with the issue of use of PORSCHE as a description because fair use appears to be a viable defense and should be raised. The pornographers, cyberpirates and sellers of unrelated goods will lose their domain name registrations to Porsche. But those persons who provide unauthorized after-market service to Porsche automobiles, such as mechanics and sellers of after-market parts are a different story, and they should be given some degree of shelter behind fair use due to the descriptive way they employ Porsche's marks.

The U.S. District Court in Los Angeles had previously ruled that a mechanic who serviced VW autos can advertise that fact, using the word Volkswagen and the VW symbol, as long as his conduct did not deceive customers into believing he was affiliated with, or sponsored by, VW. It would be, after all, very cumbersome for an advertiser to use "that German bathtub-shaped, air-cooled six cylinder, rear-engined car with the gold, red and black hood crest," when all it needs say is PORSCHE.

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