

## **Pepsico Wins First Amendment usDRP Domain Dispute**

By Jeanette Lee

In *Pepsico, Inc. v. Richard Leeds d/b/a/ Neon Gecko, Inc.*, the National Arbitration Forum has ordered the transfer of the <pepsibottling.us> domain name to Pepsico Inc. The Panel held that use of the domain name, as the address of an online chat service, was not protected by the First Amendment. The Respondent had registered and was using the domain name as the address for a commercial web site that acted as a portal to numerous chat forums on a number of general topics, as well as access to sites offering products or services for sale.

The Panel found that Pepsico Inc. is the owner of the PEPSI and PEPSI-COLA names and trademarks, and the trade name THE PEPSI BOTTLING GROUP. The <pepsibottling.us> domain name was held to be confusingly similar to Pepsico Inc.'s marks.

Finding that the Respondent had no legitimate interest in the domain name, the Panel highlighted the worldwide notoriety and fame of the Complainant's PEPSI and PEPSI-COLA marks, and its common law rights in the trade name THE PEPSI BOTTLING GROUP. Most notably, the Panel held that use of a Complainant's mark to deceive Internet users into believing they are accessing the Complainant's website is not protected by the First Amendment. The domain name was used merely to direct traffic to the Respondent's site, and was not part of a communicative message. The use of the trademarks in the domain name did not go beyond commercial identification of the source of a product, and had no expressive content to distinguish the Respondent from the Complainant. The Panel therefore held that while the content of the Respondent's website may enjoy First Amendment and fair use protection, those protections do not equate to rights or a legitimate interest in a domain name which is confusingly similar to another's trademark. The Panel also found that the Respondent registered and used the domain name in bad faith, since it had registered the contested domain name, which incorporated the Complainant's famous marks, despite knowledge of the Complainant's rights in its famous marks.

This decision is notable for the importance the Panel placed on the fame of the PEPSI trademarks. It is also significant for its finding that use of a domain name consisting of another's trade mark may be seen as labeling or advertising products in a manner that conflicts with the trademark rights of others, and that such use is not protected by free speech rights.

The <pepsibottling.us> decision is the third usDRP proceeding that Pepsico, Inc. has won this year. In July 2002, National Arbitration Forum Panels also awarded the transfer of the domain names <pepsico.us> and <pepsicola.us> to Pepsico, Inc.

See *Pepsico, Inc. v. Richard Leeds d/b/a/ Neon Gecko, Inc.* (Case No. FA 117870, National Arbitration Forum, Sept. 27, 2002).

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