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eToys seeks settlement in dispute with etoy

Leading Internet toy retailer eToys extended an olive branch today in what could be the first step in ending a bitter dispute with a Swiss-based art group that owns the domain name etoy.com.

Ken Ross, vice president of communications at eToys, said overwhelming support for the artist group prompted the Santa Monica, Calif.-based online toy store to send a letter to etoy offering to settle the domain name dispute.

The online toy retailer offered to drop its lawsuit if etoy withdraws its countersuit.

But etoy attorney Chris Truax said the settlement letter he received indicates eToys also wants control over the content of the group's site--which eToys believes is unsuitable for children.

"There is no way etoy can give control over their art," Truax said. "If [eToys] decides to unilaterally drop the suit, I think it would be a positive step forward and then maybe we can discuss this in a less confrontational atmosphere."

Ross said his company did ask the group to place its more graphic material on another site, but that it was not a factor in the settlement offer.

The letter from eToys to Truax asks that etoy "concentrate the profanity, nudity and violence that is sometimes part of the etoy corporation message to etoy corporation's other web sites."

It appears the two parties will still have to hash out the details of the proposed settlement.

Trouble began earlier this year when eToys reported it had been receiving angry complaints from parents and children who had mistakenly landed on the etoy site.

The Zurich-based art group posts on its site graphic language and images that "any reasonable person would agree is not appropriate for children," Ross said.

Truax said the material may be considered offensive in the United States, but not in Europe.

In an effort to settle the domain name confusion, eToys sought to negotiate some kind of agreement, including offering between \$400,000 and \$1 million for the etoy Internet address. The offers were rejected.

Talks broke down in September, when eToys filed a trademark infringement lawsuit.

In November, eToys won a temporary injunction against the art group, forcing them to shut down their site, which they claim has been around since 1995. They faced fines of up to \$10,000 a day if they did not comply.

Since then, support for the group has gained momentum with some supporters conducting cyberspace sit-ins and clogging up chat rooms to rally more protesters. Leading the charge was John Perry Barlow, former Grateful Dead lyricist and co-founder of the Electronic Frontier Foundation.

"Over the past few weeks or so we have received many emails and letters from members of the arts and Internet community urging us to find a way to co-exist," Ross said today, after announcing the truce effort. "So that's what we want to do."