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eToys settles Net name dispute with etoy

A little-known Swiss art group operating under the "www.etoy.com" Web address emerged victorious this afternoon after settling a bitter dispute with leading online toy retailer eToys.

As part of the settlement, eToys will pay up to \$40,000 in legal fees and other expenses the art group incurred during the five-month dispute.

The toy retailer also took steps to remove the block on the etoy domain name, which had been temporarily shut down in a court order.

Both organizations agreed to drop lawsuits filed against one another.

"eToys doesn't get anything from this episode but a black eye," etoy attorney Chris Truax said this afternoon, soon after the settlement was reached.

A spokesman for the online toy company declined to comment extensively about the latest developments but confirmed conditions of the settlement, saying that it was "about closure."

The case got wide attention, as many Internet users rallied behind etoy.

"There is no question that this case has been a watershed; the online community organized itself, and support spontaneously sprang into existence," said Truax, who works out of San Diego. "This is a great victory for the Internet community."

In a previous interview, eToys acknowledged that overwhelming support for the artist group prompted the online toy store to end its attack on etoy.

Some supporters staged cyberspace sit-ins and clogged 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, a consumer rights organization.

Truax believes the success of these efforts may have bolstered online protesters to take up other causes.

"When you get a few thousand people online who really believe in something, they're a potent force," Truax said.

Trouble began last year when eToys reported it had been receiving angry complaints from parents and children who had mistakenly landed at etoy's Web site.

The Zurich-based art group occasionally posts on its site graphic language and nude images, which eToys considered inappropriate for children.

In an effort to settle the domain name confusion, eToys offered to pay 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. Etoy countersued. A judge later issued a preliminary injunction against the art group, forcing it to shut down its site.

Late last month, eToys offered to settle the matter altogether but suggested that the art group not post graphic language or nudity on its site. Truax balked at the suggestion.

The settlement efforts had fizzled until today.