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By **MATTHEW MIRAPPAUL****H**OW valuable is an "s" on the Internet?

Two combatants, separated in cyberspace by that single letter, are about to find out. One is a fiercely independent World Wide Web ensemble looking to use the new medium to stir up the status quo and reshape the boundaries of artistic expression. The other is an e-commerce upstart seeking to build a business and establish its brand while reshaping the marketplace.

Already, a legal dispute between the two has forced the arts group to give up its Web address, even though it was online a year before the business venture was formed. And as word of its situation has spread, supporters have mounted a vigorous Internet-based protest claiming that commercial considerations are stifling creative expression on the Internet.

Now business is trying to find a way to coexist peacefully with art.

Yesterday, **eToys Inc.**, the Web's leading toy retailer,



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said it had offered to drop its trademark-infringement lawsuit against etoy, a European group of online conceptual artists. Etoys, which has already won a court order evicting the artists from their home at www.etoy.com, also said it was willing to let the group resume using that address.

But the company said it was asking the group to relocate graphic images and language to other Internet sites, where children and parents shopping for Pokémon cards and Harry Potter books are less likely to stumble upon them by mistake.

A lawyer for etoy said that the group would not agree to limit the content on its Web site.

"These are artists, and this is just not acceptable to them," Chris Truax, etoy's lawyer, said in a telephone interview from San Diego. "Etoy cannot give eToys veto power over the content on its site."

Last month etoy was forced to stop using www.etoy.com, its Web address since 1995. EToys was not founded until the following year, and put up its Web site, www.etoys.com, in 1997. Unlike etoy, though, eToys holds a United States trademark for its name.

Ken Ross, a spokesman for the Santa Monica, Calif., company, said: "We are initiating an end to the legal actions against etoy. The reason is simple: over the last several weeks, we've received lots and lots of communications that urged us to find a way to coexist with etoy."

Mr. Ross added that eToys was asking etoy to find a way to move its "more graphic pages" -- one recently incorporated a picture of the bombed federal building in Oklahoma City, with a satirical caption -- but that it was not a condition for putting an end to the lawsuit. "It is only a request," he said. (Mr. Truax said etoy was still studying the company's offer.)

EToys had sued etoy after hearing from customers who went to the art site by mistake, including some who complained about its profane language. A Los Angeles Superior Court judge issued a preliminary injunction against etoy on Nov. 29, threatening the artists with fines of as much as \$10,000 a day unless

they stopped using the www.etoys.com address.

The group, which mimics corporate behavior, went into Internet exile at a numeric address (<http://146.228.204.72:8080/>). But etoy is well known in Internet art circles, and as word of its situation spread, defenders started protest sites and began blanketing the Internet with e-mail messages. The case has become a cause célèbre among those who resent the growing influence of commercial interests on the Internet because they fear it will limit artistic expression.

Mr. Ross said the offer from eToys was prompted because "we received a lot of heartfelt, well-reasoned e-mails," adding, "It was never our intention to silence artistic expression."

But etoy's supporters had reacted with alarm to the shutdown of the site. Supporters who believe the artists were being muzzled put up several sites urging visitors to boycott eToys and send disapproving e-mail messages to the company's executives. A few parody sites have also appeared.

An etoy spokesman who gave his name as "zai" (the group's dozen or so members do not divulge their real names) said the domain name and the Web site that accompanied it were in themselves the group's and that giving up the domain name "will be the end of this art piece." As for the origins of the group's name, it was one of several choices generated by a computer program, he said, and was latched onto because it sounded like something electronic, playfully ironic, and possibly Japanese.

RTMark, another group of anonymous online provocateurs, has successfully tweaked the campaigns of Gov. George W. Bush and Mayor Rudolph W. Giuliani this year by creating parody sites with addresses confusingly similar to those of the campaigns' official sites. The group has been selected to exhibit in the Whitney Museum's biennial survey of American art next year.

Since etoy was formed before eToys existed, no one could accuse the artists of pulling a similar prank or of being cybersquatters -- people who register company and product names and then demand payment for

them. But if the two parties cannot reach an agreement, it will be up to the courts to decide if the dispute is an example of reverse domain-name hijacking, in which someone who covets a domain name but has no legal right to it tries to coerce the owner into surrendering it. Etoy is appealing the preliminary injunction.

Lauren Cooks Levitan, an analyst at Robertson, Stephens who follows eToys, said that the retailer was not likely to experience anything more than limited damage from potential customers who visit the arts site in error, but that bad publicity from the lawsuit might have a different effect.

Before filing suit, eToys officials indicated they were willing to buy etoy, and the most recent offer was somewhere over \$400,000, in a mix of cash and eToys stock. If accepted, the price would probably set a record for a work of Internet art -- and for the letter "s."

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