

FOREWORD

The Uniform Domain Name Dispute Resolution Policy (the UDRP) was devised to achieve several objectives.

First and foremost, the objective was to provide a dispute resolution process as an alternative to court proceedings to resolve disputes concerning Internet domain names more quickly and efficiently; and, in particular, to determine whether the registration of a disputed domain name was abusive or improper in one way or another, conduct that is popularly known as cybersquatting. The regular structure of courts and law would normally be thought to be adequate for achieving this purpose, but it was felt that a different process was needed to address several specific needs of the domain name system, not least of which was the cost and difficulty of engaging in litigation against parties in different national jurisdictions. Had the resolution of disputes about domain names been left to the courts, and the different national laws usually applied to claims of infringement of trademark rights, the process would inevitably have been bogged down in never-ending arguments about the appropriate forum, choice of laws, procedure and the enforcement of any judgment that might be obtained.

It was rightly felt that it would simply be too cumbersome to have the regular courts and the law applied in them as the main means of solving domain name disputes. Naturally, there would still be a right to sue in the courts as a fallback procedure and even today, on occasion, parties turn to the courts to resolve domain name disputes, using the traditional causes of action like trademark infringement, passing off, breach of contract or breach of national statutes on false and misleading activities or other untoward conduct. But for the main and principal way of resolving these disputes, it was rightly felt that a separate forum was needed in which a specially tailored process could be applied to the unique nature of domain names themselves. The UDRP is that process and has been so since its inception at the end of 1999.

In turn, it was clear that the UDRP had to be fashioned to meet the unique needs of the domain name system. Thus, a particular need was to provide a system that was international in character, given that the person or company that registered a domain name could well be in a different country from that of the person or company making the complaint, a situation that has often turned out, although not always, to be the case.

If the process had been left to the courts, an immense problem would have arisen, namely in which country and which courts should an action be brought: the country of the party that registered the domain name or the party that claimed its rights were infringed? Following hot on the heels of that question came another one: what law should be applied to the dispute, the law of the state where the domain name was registered, the law of California where the Internet Corporation for Assigned Names and Numbers (ICANN) is based, or the law of the place of the claimant or perhaps somewhere else? And then still another question: who would be the defendant, the party in whose name the domain name was registered, a party using it or someone else, perhaps a nominal defendant?

Other questions came thick and fast: how would you find the defendant, given that some might have taken on assumed names and false addresses, as has sometimes turned out to be the case. Then, how would the proposed defendant be served with the claim? Moreover, what sort of service of documents would be required, personal or some form of substituted service? Then: what would be determined in the proceedings, that the claimant had the only claim to the domain name, a better claim, or an equal claim to the defendant and how would you express that claim? Moreover, what sort of procedure would be followed, what remedies would be available and how would any order or judgement be enforced? It was to such issues that those who drew up the UDRP turned their attention. Above all, they wanted the UDRP to be quick and efficient; it had to be reasonably cheap and reasonably straightforward, not too complicated in the law and, probably most important of all, the process had to end in a result that could be enforced.

The UDRP therefore had to be fashioned to meet those needs and I think it is reasonably safe to say that it has largely done so. The issue of identifying the defendant or respondent was resolved by deeming it to be the person in whose name the domain name was registered. There would be no real problem of service of the claim because the provider of arbitration services would simply send the Complaint to the address provided by the person registering the domain name and if it turned out that the address was nonexistent or fanciful, so be it; the proceeding still went ahead. Simple rules provided for the contents of the claim and any response to it that might be submitted and what information had to be included in both. Time limits for the major steps in the proceeding were included in the rules and they have largely--although not always--been complied with.

The cost of the proceedings was kept under control by imposing a fixed fee for filing a Complaint, so an aggrieved party may bring a claim under the UDRP by spending no more than the filing fee, although it could also retain its own lawyers if it wanted to. The issues to be determined in the proceeding were also set out in a reasonably straightforward manner, requiring the complainant to prove the three essential limbs set out in paragraph 4 of the Policy. When it came to the all-important requirement of execution and enforcement of orders for the transfer

or cancellation of a domain name, this was provided for by the requirement that the order be sent to the registrar on whose books the domain name is registered and the registrar be required to put the order into effect and, if the order so requires, transfer the registration of the domain name to the successful complainant under pain of incurring the wrath of ICANN by breaching the agreement that allows it to operate as a registrar of domain names.

So, the UDRP was an ingenious solution that arose to combat a particular problem connected with the invention of the Internet that promptly became the proceeding of choice for trademark owners alleging abusive registration of domain names and the main instrument for recovering them. It was a practical alternative to litigation in the courts and became recognised as a dispute resolution scheme that provided for the unique features of the Internet naming system. It is not perfect and it raises several unanswered questions of substance and procedure.

But what I have described above is only the start of the UDRP story. The very efficacy of the UDRP and its concern for speed and economy of time and money gave rise to significant gaps. For instance, the UDRP requires a complainant to have a trademark before it has standing to bring the complaint; but does this mean a registered trademark or is a common law trademark sufficient?

And a trademark where? If the parties are two U.S. companies engaged in trench warfare as they compete for a valuable domain name, is it enough for the complainant to show that it has a trademark registered in Tunisia or the European Community, but not in the U.S.?

When the UDRP requires a complainant to prove that the respondent does not have a right or legitimate interest in the domain name, does that not require it to prove a negative, an impossible task and, if so, how can it get around that requirement?

What is meant by the broad expression “bad faith”? Can bad faith be retrospective, that is, dated back to the time the domain name was registered because of the respondent’s bad faith conduct since then, although it may have registered the domain name in good faith? Do equitable remedies and principles apply to UDRP proceedings? For instance, can a respondent rely on laches or estoppel? What has to be proved to obtain a finding of reverse domain name hijacking against an oppressive complainant?

These questions are unanswered in the UDRP itself, but the answers were waiting to be discovered in its language. And discovered they have been in the thousands of decisions written since 2000 by panellists, as UDRP arbitrators are called, some of them expressing different views of the law before unifying into consensus on many of the core principles. In total, this great number of decisions make up a large body of learning that helps the UDRP function better by encouraging consistency and acts as a guide and reference for parties and their legal advisers to discern how similar fact situations might be decided in the future.

In other words, the bare bones of the Policy and its Rules will take you part of the way in understanding how it operates, but only part of the way. That is where *Domain Name Arbitration* comes in to perform its valuable role. It provides an in-depth examination of the evidentiary requirements of the Policy and its Rules and how panellists have construed and applied them in adjudicating parties' rights to continue holding or forfeiting disputed domain names. The author points out that the UDRP is a forum of limited jurisdiction; it is not a trademark court even though infringement is the underlying basis for the claim of abusive registration. He makes it clear that success in capturing or defending a domain name depends in large measure on the parties attending to the evidentiary demands of the Policy. If the registration is found to be abusive, the trademark owner has an option of remedies that in effect cause the respondent to forfeit its registration of the domain name. But, if the trademark owner fails to prove its case, then the registration remains with the domain name registrant.

Domain Name Arbitration is valuable too in providing a penetrating examination of all aspects of the UDRP, profusely illustrated with decided cases. The author has uncovered answers to a variety of questions that arise from the text of the UDRP as well as presenting useful analogies to many complex factual situations that might come along in the future and valuable insights into the philosophy of the UDRP and the view taken by panellists of the most contentious issues that continue to be debated. Having such a practical guide, therefore, is of immense value.

Readers will find the author's approach extremely forthright. He begins by first laying out the philosophy and origins of the UDRP and how it differs from other dispute resolution policies; its *sui generis* jurisprudence; its scope and core principles; the parties' evidentiary burdens; complainants' relatively low bar for proving standing; the concept of the *prima facie* case that respondent lacks rights or legitimate interests in the disputed domain name and the shifting of the burden of production to rebut that contention; complainants' higher bar for proving bad faith, which results from the conjunctive requirement; the all-important Rules made to support the UDRP; court proceedings before and after a UDRP case; and the hundred and one other subsidiary questions that arise.

Domain Name Arbitration puts flesh on the bones by illustrating how the jurisprudence crafted by panellists makes the UDRP a living and working dispute resolution regime. It should certainly be on the desk, or on the computer, of every activist in the domain name world, every practitioner and everyone else that works in the field. I already use it in my practice and find it an essential source of knowledge and opinion in this new and exciting field. I highly recommend it. It promises to be the *Grey's Anatomy* of domain name arbitration.

The Hon Neil A. Brown QC
Melbourne
28 February 2015

PREFACE

Domain Name Arbitration is principally devoted to explaining the process, jurisprudence, and demands of the Uniform Domain Name Dispute Resolution Policy, popularly referred to by its acronym, UDRP. The regime was implemented by the Internet Corporation for Assigned Names and Numbers (ICANN) in 1999 following a two-year study by the World Intellectual Property Organization (WIPO). As Neil Brown points out in his Foreword, “the UDRP was an ingenious solution that arose to combat a particular problem connected with the invention of the Internet that promptly became the proceeding of choice for trademark owners alleging abusive registration of domain names and the main instrument for recovering them.”

The UDRP is unusual when compared with typical ADR regimes in several respects. There is no discovery and no in-person hearing. The proceeding is paper-only and conducted entirely online. Also, the UDRP is a nonexclusive alternative, and not a substitute for an action in a court of law. While the initial decision to commence a UDRP proceeding rests with the complainant, the respondent has the right (although it is rarely exercised) to remove the dispute to a court of law before it is heard. At the conclusion of the proceeding the aggrieved party is expressly permitted to challenge the award in a *de novo* legal action, which is also an unusual feature since arbitration awards are generally final and binding.

In the United States the other forum to which the UDRP is the alternative and the court to which a party goes either to challenge an award or for direct suit is a United States district court in an action under the Anticybersquatting Consumer Protection Act (ACPA). While the two regimes share a family resemblance they are profoundly different in essentials. For both, the ultimate remedy in a cybersquatting claim is either a mandatory injunction against the domain name holder or a finding in its favor, but the ACPA authorizes a judgment for damages topped with reasonable attorney’s fees to the prevailing party and the UDRP does not.

However important these immediate similarities and differences are, there is one further difference that is likely to be overlooked by general practitioners and uninitiated parties, which is that the regimes are constructed on different liability models: the UDRP is a conjunctive “and” model; the ACPA is a disjunctive “either/or” model. “Intent” is the key element in both, but under the UDRP a trademark owner cannot

succeed on its complaint unless it proves the domain name holder both registered the domain name in bad faith and is using it in bad faith. This view has been challenged, but the consensus is firm that bad faith use alone is insufficient to warrant forfeiture of the domain name. Under the “either/or” model of the ACPA “bad faith intent” can be found if the registrant either “registers, traffics in, or uses a domain name” in a proscribed manner.

Four other points should be highlighted: first, the Policy is designed only for a limited class of persons, namely trademark owners without regard to the national jurisdictions in which their trademarks were acquired; second, the Policy is not designed to adjudicate who has the better right to a disputed domain name; it is concerned with a different question, namely whether the registration infringes another’s right of exclusivity to a particular symbol in commerce; third, the Policy is effectively limited to trademarks whose existence predates domain name registration—this comes about because it is impossible for the registrant/respondent to have acted intentionally in bad faith (that is, with knowledge of another’s rights) when at the time of registration of the domain name there is no existing trademark; and fourth, the Policy is not available to complainants who may be injured by choices of domain names but whose names are not otherwise eligible for trademark protection, which (in the U.S.) includes prospective marks either not currently in commerce, pending registration or accepted on the Supplemental Register and (in all jurisdictions) personal names unless they have acquired distinctiveness.

An appellate court has remarked that the UDRP proceeding is “adjudication lite” because of “its streamlined nature and its loose rules regarding applicable law.”* But to give the Policy its due, “lite” is not a flaw. Parties undercut their arguments by ignoring the substantive requirements that determine the outcome of a claim. It is not sufficient for parties to assert a right (or, for respondent, a defense) unsupported by factual evidence that validates their positions. The evidentiary demands for both parties are substantial: for complainants whose trademarks are on the lower end of protectability, as well as for respondents whose choices correspond with trademarks ascendant on the classification scale. Whether asserting or defending claims of cybersquatting, parties should know what to expect and what is expected of them. Parties who understand the expectations of a UDRP proceeding will fare better than those who ignore them.

Gerald M. Levine
New York, N.Y.
March 2015

**Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona*, 330 F.3d 617, 624 (4th Cir. 2003).