

Journal of Information, Law and Technology

**Confusing Similarity Under ICANN's
Uniform Dispute Resolution Policy**

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This is a **refereed article** published on 16 August 2002

Citation: McMahon, JR, 'Confusing Similarity Under ICANN's Uniform Dispute Resolution Policy', *The Journal of Information, Law and Technology (JILT)*. 2002 (2) <<http://elj.warwick.ac.uk/jilt/02-2/mcmahon.html>>.

Abstract

ICANN's UDRP has allowed a fast and efficient system of domain name dispute resolution, the most common ground for complaint and transfer being that the domain name in question is confusingly similar to a registered or common law trademark of the Complainant. Unfortunately, UDRP Panellists have not been sufficiently rigorous in their

consideration of confusing similarity and the non-distinctiveness of domain names to justify many such conclusions. Furthermore, in seeking to avoid trans-jurisdictional conflicts of law, their application of confusingly similarity may be conveniently general, but it results in outcomes which would be unacceptable to many common law jurisdictions.

Keywords: UDRP, ICANN, WIPO, Arbitration, ODR, Domain Name, Confusing Similarity, Intellectual Property, Trademarks.

1. Introduction

The *Uniform Domain Name Dispute Resolution Policy* (UDRP), the dispute settlement instrument of the Internet Corporation for Assigned Names and Numbers (ICANN) has been the subject of much controversy in its short history, mostly due to the bias it is accused of facilitating in favour of trademark holders. However, while many studies, such as the important statistical analyses of Dr. Michael Geist and Professor Milton Mueller, concentrate on panel composition, little consideration has been given to the phenomenon of confusing similarity. This lack of academic investigation is unfortunate, as confusing similarity is most frequently applied in justifying the transfer of domain names to Complainants, often on questionable grounds.

2. The Theory of Confusing Similarity and the UDRP

The concept of confusing similarity is fundamental to Intellectual Property law as

‘the determination of risk of confusion is ... the decisive element in a working trade mark protection system’.

Trademark law protects against the use of confusingly similar trademarks to protect both the trademark holder and the consumer, who ‘might believe that the goods or services in question come from the same undertaking or, as the case may be, from (economically) linked undertakings’. Similar protection is provided for trademarks in cyberspace by Paragraph 4(b)(iv) of the UDRP. Confusing similarity is crucial in domain name disputes where the domain name in question is not identical to the trademark of the Complainant, and frequently arises where the domain name in question is a common misspelling of a registered trademark, or a parody of that trademark.

The formulation of strict rules for confusing similarity is not practical, so the UDRP does not define when a domain name will be ‘confusingly similar’ to a trademark, though it would seem that similarity alone seems to be sufficient for many Panellists. The Canadian Internet Registration Authority (CIRA) endeavoured to provide a definition in its Domain Name Dispute Resolution Policy (CDRP), which provides that a confusingly similar domain name is one that ‘so nearly resembles the Mark in appearance, sound or the ideas suggested by the Mark as to be likely to be mistaken for the Mark’. The attempt to offer guidance to Panellists in this uncertain area is laudable, but the CDRP definition offers a level of cover to the trademark holder not provided by intellectual property law - or at least a level of protection inappropriate for the lower levels of distinctiveness possible in the case of domain names.

The application of confusing similarity in trademark law is largely determined by the facts of the case at issue, and is predicated upon the commercial proximity of the goods or services at issue. For example, Würtenberger notes that, in its *Canon* decision, the European Court of Justice (ECJ) believed:

in assessing the similarity of the goods or services concerned ... all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include *inter alia* their nature, their end users and the method of use and whether they are in competition with each other or are complimentary.

Any examination of UDRP decisions, however select, will reveal that such factors are rarely considered by Panellists.

The distinctiveness of the mark is a key consideration, and recent ECJ decision which set a low standard for the distinctiveness of the mark in question, has sparked intense criticism.

The extra-ordinarily liberal approach heralded by the Court to what might constitute a purely descriptive mark based on an unusual word combination or neologism, coupled with the implication that such marks will rarely, if almost never, be devoid of all distinctive character, will, in all likelihood, oblige the [Office for the Harmonisation of the Internal Market] to accept a great many more trade mark applications than has hitherto been its practice.

This real-world trademark reasoning dilutes the potential for distinctiveness in a domain name - particularly when the global, trans-jurisdictional reach of the Internet is considered.

[The] Domain name system could not support the distinctive character of a mark such as capitalizations, stylized formats, graphical designs that are normally adopted in the real world. Because of this, we find that the court has adapted the normal trade marks rules and taken into consideration only the word itself. This creates a lot of difficulty as when a mark is composed of any special representation, and that is not taken by the competitor, there is a likelihood that confusion will not prevail.

Domain names do not allow for distinctiveness, so 'Nike loses its swish, Coca-Cola its distinctive typeface, Guinness its harp'. The limitations on the domain name system in conveying distinctiveness are, for the foreseeable future, unavoidable. These limitations, which do not arise in relation to real-world trademarks, arise repeatedly in unsatisfactory UDRP decisions. In *Rubbermaid v. Venture-Q* the Complainant succeeded in having the domain name carex.com transferred on the basis that the Respondent had no legitimate rights or interests in respect of the domain name and that, furthermore, it had been registered and used in bad faith. The Respondent admitted similarity between the domain name and the trademark of the Complainant, but claimed that it had legitimate rights and

interests in the domain. The case was heard by a three-member panel, with G. Gervaise Davis III giving a strong dissenting opinion which incorporated the reasoning of commercial proximity. Davis emphasized that ICANN had not intended the UDRP to cover cases of this type, and that there was no evidence of the Respondent acting in bad faith, as defined by Paragraph 4 of the UDRP.

[The] Respondent is not a competitor of Complainant [sic], did not offer to sell the name to Complainant, did not intend to use it to compete, does not use it to compete or prevent its use by Complainant, and is not using it in a manner that confuses anyone. The UDRP is not supposed to be a substitute for trademark infringement actions.

The WIPO itself has stated that the legitimate use of a domain name, although in competition with the trademark of another, is not an invasion of a right. As pointed out by Azmi, where there is no evidence of fraud or deceit, as in the case of *Rubbermaid*, there 'is no valid ground to stop another person from adopting any particular names as domain names'. The domestic consequences of decisions such as *Rubbermaid* are likely to be controversial in the future.

National courts would not view favourably any unjustifiable attempts to restrain a person of his legitimate use of a mark simply on the basis of conflicts with another mark in a different jurisdiction.

2.1 The Jurisprudence of Confusing Similarity Under the UDRP

Panellists arbitrating UDRP cases are predominantly judges and academics, so their reasoning and decisions should serve as useful indicators of how a court might apply confusing similarity to the novel elements presented by domain name disputes. Unfortunately, the issue of confusing similarity has been addressed by these Panellists in a rather perfunctory and summary manner - as a technical and jurisdictional aspect of the UDRP which must be addressed before proceeding with the decision, rather than a fundamental concept in need of articulation. This lack of attention relates to the reluctance of Panels to adopt the Intellectual Property law of any one jurisdiction, or to suggest that UDRP Resolution Service Providers (RSPs) are developing a form of international Intellectual Property law. Many, if not most, UDRP cases involve a relatively straightforward situation where the bad-faith motive of the registrant has been to use the Complainant's trademark to his own advantage, such as *Christie's v. Tiffany's*, where the Respondent had registered christiesauction.com and openly used the domain name to direct Internet users to its own auction site. The Panel had no hesitation in finding confusing similarity, noting that the situation 'reek[ed] of bad faith'. However, a great deal of UDRP cases are not so straightforward, and the desire to see 'rightful owner' obtain ownership of the dispute domain name has led to results-oriented reasoning on the part of many UDRP Panellists.

However, many other cases are more nuanced, and include considerations which are not present in real-world trademark disputes. In *Adobe Systems Inc v. Domain OZ* the domain names at issue did not resolve to any websites but the Panel decided that, for the purposes

of Paragraph 4(b)(iv) of the Policy, the Respondent was using the domain names in a manner which used confusion to attract customers. The fact that the domain names were not being used should preclude any holding that they were being used in bad faith on the grounds of confusing similarity. Furthermore, even if the domain names could be said to be in use, though not resolved to any websites, can this be said to be

‘creating a likelihood of confusion with the Complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location’?

If there is no website, how can there be confusion? Any Internet user entering the domain names in a browser would reach an error message informing them that no website exists at that domain name - they may be confused as to the fact that no website exists, but that is where the confusion would end. It is also interesting to note the Panel's reference to ‘customers’, and not ‘Internet users’ - symptomatic of the tendency of Complainants, and ultimately Panellists, to perceive all persons online as customers.

2.2 The Reasonable Internet User

UDRP Panellists, like courts, often refer to the concept of the ‘reasonable Internet user’, though none appear to have attempted to define, or outline the characteristics of such a person. Indeed, the application of the concept to date has often suggested an unsophisticated knowledge of the Internet and its usage. This is hardly surprising, given that most Panellists are experienced in law and arbitration, rather than Internet usage.

The concept of reasonableness is pervasive in Anglo-American law, especially tort law. There is no inherent reason why the concept cannot apply in cyberspace. The problem is that in many situations, juries - and even cyberspace users themselves - may not know and many have no basis for knowing what is reasonable in cyberspace.

The concept of the reasonable person is useful in many legal disciplines, though the characteristics attributed to such a person are often malleable and the standards defined rarely gain universal approval. It is difficult to see how the concept of the reasonable person can have any meaning in the context of cyberspace. Courts have experienced difficulty arriving at a satisfactory definition of a reasonable person for the purposes of criminal or tort cases confined to domestic legal systems, though UDRP Panellists do not appear to have had any such difficulty in applying the test of the reasonable Internet user. The factors most relevant to such a consideration should be the nationality, education, linguistic knowledge and technological expertise of the reasonable person. The level of online experience would also be of crucial, as would familiarity with international brand names and trademarks. The lower the reasonable Internet user's level of Internet experience, or the lower their level of familiarity with trademarks, the greater the likelihood of confusion, hence the greater the level of protection provided to trademark holders. Any one of these factors would be a considerable stumbling block to any definition of a reasonable Internet user. When considered together, it is obvious that there is no realistic possibility of defining a meaningful standard which can be of use to Panellists.

As many Internet users may not be sure of the correct spelling of a particular trademark, or may be unsure of what elements of the trademark will be used in a domain name, they will generally consult a search engine unless they know the exact URL of a website. The idea that a user will assume a domain name to belong to a company possessing a similar trademark is far from self-evident, and has not been supported by any facts or discussions put forward in domain name disputes. It may be true that

‘[d]ue to the way Internet searches are conducted, many companies believe it is crucial that a domain name be not only easily remembered but easily guessed’,

but should this belief, however important to those marketing the companies involved, be provided the protection of the law?

The reality of Internet usage suggests a reasonably limited application of the principle of confusing similarity would be appropriate. The certainty which attaches to real-world trademarks does not transfer directly to the Internet. Again, this relates to the limitations of the Domain Name System. The consumer knows a Coca Cola product not only by the word ‘Coke’ emblazoned on the packaging, but also by the colours and stylised elements of the packaging. When the Internet user enters a domain name or URL there may be a presumption on their part that a particular domain name will resolve to the website of whatever company they associate with that domain name, but the presumption is easily rebuttable. Users see for themselves by the contents of the site who the likely owners are.

The notion that a ‘reasonable Internet user’ assumes affiliation with a trademark holder when accessing a website stretches the principle of confusing similarity to breaking point in the case of so-called ‘sucks.com’ disputes. These disputes arise from the frequent practice of registering a domain name containing a trademark, with the suffix ‘sucks’ tagged on the end of the Second Level Domain (SLD) - for example, companyxsucks.com. Most commentators agree that the likelihood of confusion in such domain names is minimal.

As a general matter, dot-sucks web sites (or parody web sites) do not create confusion with the trademark. No one would suggest that the parody site is confusingly similar to the site belonging to the trademark holder.

The Panel in *Vivendi Universal v. Sallen and Go247.com* rejected the Respondent’s free speech defence in support of his right to the domain name vivendiuniversalsucks.com, believing that Internet users would assume affiliation with the Complainant, particularly the many users that were not native English speakers who would disregard the ‘sucks’ element of the domain name.

Recently in the US, a notorious website parodying the US Republican Party and its relationship with Enron was threatened with legal action by Republican Party Lawyers, who accused the site of operating in a manner intending to confuse and mislead members of the public as to the website’s affiliation with the Republican Party. Commentators have viewed such accusations with circumspection.

It is hard to imagine the public being confused into believing that the Web site is sponsored or affiliated with the [Republican Party], especially when it lampoons Republican candidates, in parody fashion states that the Republican Party of Texas is 'brought to you by Enron', and plainly states that it was created by Texas '02, an organization directed and funded by Texas Democrats with the purpose of electing democratic candidates.

The Republican Party have, to date, failed to act upon their threats, and would be unlikely to succeed due to US free speech protections. It is unusual that the Republican Party did not resort to the UDRP dispute resolution system, which would have been more straightforward and probably more likely to rule in their favour. However, one would hope that, if a case such as this were to come before a UDRP Panel, they would follow the principles set down in *Abercrombie & Fitch v. Jorgensen*, where the Panel believed that a person could have a legitimate interest in a domain name which parodied the trademark of another if the domain name was capable of being a parody of itself, and if the website to which it resolved continued that parody.

2.3 Typosquatting

Further problems with confusing similarity arise in cases of typosquatting - where the domain name involves a common misspelling of another's trademark. In *Toronto-Dominion Bank v. Karpachev*, the Panel rejected the Respondent's argument that the domain names were similar to the trademark of the Complainant, but not confusingly so. The Respondent's motive was a common one - that of registering a common misspelling of a trademark - and it is easy to envisage a similar case where the domain name could include an altered trademark, which would involve an element of humour. Would an Internet user, on realising that he had made a typing error, expect the company he was looking for to own the incorrect domain name? Panels appear to believe so. *Abercrombie & Fitch v. Jorgensen* is a better example, where the Panel agreed with the Complainant's assertion that the domain name abercrombieandfilth.com was confusingly similar to their trademark as '[t]he word 'filth' differs from FITCH by only two letters' - though, of course, the letters 'C' and 'L' are at opposite sides of English-language keyboards.

Panellists appear to be willing to refuse a complaint on the grounds of confusing similarity only in extreme circumstances, such as *America Online v. Johnathan Investments, Inc* where the Panel refused to transfer the domain name fucknetscape.com to the Complainant.

The Panel regards it as inconceivable that anyone looking at this Domain Name will believe that it has anything to do with a company of such high repute as the Complainant. It is manifestly, on its face, a name, which can have nothing whatever to do with the Complainant. It is a name, which, by its very nature, declares that it is hostile to Netscape.

Of course, it can be argued that this holds true for the domain names disputed in *Abercrombie & Fitch* and *Vivendi Universal*. Nevertheless, although the Panel in *America Online v. Johnathan Investments* refused to transfer the domain name to the Complainant,

it noted that the Respondent did not have a legitimate interest in the domain name but left the question of who would have a legitimate interest in such a name open.

2.4 Generic Words

The application of confusing similarity in cases where the words used in a domain name are generic, or approaching generic, raises further irregularities still. In *Action Concepts v. Rakuten USA* the Complainant held a US trademark for 'Fast Forward', and the Respondent held the domain name fastforward.com, though it was not being used. The domain name had been acquired by the Respondent as part of a bankruptcy agreement with Fast Forward Inc., in which it had previously invested. The Panel held that the domain name was confusingly similar to the trademark of the Complainant, but that they had failed to establish that the Respondent did not have a legitimate interest in the domain name, or that it was being used in bad faith. In furtherance of this decision, the Panel relied on the fact that the domain was registered in 1994 and held by a company trading under the name 'Fast Forward'. It is difficult to accept this holding of confusing similarity in light of the Respondent's accurate contention that there were twenty listed trade marks in the US involving the term 'Fast Forward', and that the phrase appears on a multitude of electronic devices worldwide. The Panel did not address whether the term was generic, and decided the case on the basis of the Complainant's failure to establish bad faith or the lack of a legitimate interest alone.

In *Also Holding AG v. Netdojo* the Panel was satisfied that the domain name also.com was confusingly similar to the Complainant's trademark, and, startlingly, could not

'conceive of any legally sound basis upon which an assertion that the Respondent has a right or legitimate interest in [the] domain name'.

The Panel noted that, even in the event of a default,

'in order to be successful, the Complainant still bears the burden of proving, on the balance of probabilities, that all three elements [of Paragraph 4(e) of the UDRP] are present',

and concluded that the evidence presented by the Complainant, who claimed they enjoyed an extensive reputation in Europe, was insufficient to hold that the domain name had been registered in bad faith. In this case, the very obvious generic nature of the word 'also' was not even addressed by the Panel - most likely due to the default of the Respondent, but nevertheless self-evident from the case itself. Indeed, apart from the occasional case, Panellists seem reluctant to consider arguments based on generic domain names - in *Hola SA v. Idealab* the Respondent put forward the very reasonable argument that 'hello' is a generic word, and that the Complainants had no right to prevent its use. The Panel, however, while refusing to transfer the domain name hello.com to the Complainants, based its decision upon the Respondent's defence that the domain name was being used in connection with a *bona fide* offering of goods and services, and did not address the issue of the generic word.

3. Conclusion

The benefits of [Online Dispute Resolution] are obvious and should not be understated ... [but] the benefits of ODR are so obvious but the dangers are not ... More generally, an inequality of power between the parties, as is often the case in consumer disputes, involves a risk that one party will be bullied into accepting disadvantageous terms.

Inequality between Complainant and Respondent has been a hallmark of UDRP disputes to date, though such inequalities are often present in Intellectual Property disputes, due to the

‘natural tendency by the courts to favour the large organisations and those with high reputations over individuals and small and medium sized enterprises’.

The danger exists that, in the contractual, administrative atmosphere of UDRP proceedings, which are subject to less public scrutiny than court actions, the blurring of the doctrine of confusing similarity outlined above will soon entrenched in domain name dispute practice. The Internet is increasingly a fundamental aspect of marketing campaigns, and trademark holders are likely to seek stronger intellectual property protection in the real world. Of more immediate concern is the frequency with which satirical or generic domain names are transferred to trademark holders on the grounds of confusing similarity.

Though the UDRP has, to date, received much praise and provided hope for advocates of online dispute resolution it is clear that numerous deficiencies exist in the current system. Important concepts, such as that of the reasonable Internet user and confusing similarity, have not received sufficient consideration by the WIPO or ICANN, or scrutiny by RSPs. Many decisions to transfer domain names on the grounds of confusing similarity may result in a favourable outcome, in that an online fraudster or blackmailer loses possession of his instrument of fraud, the domain name. However, this should not necessarily mean that the successful Complainant is the ‘rightful owner’ of the domain name. The UDRP, in its current form, is certainly facilitating the transfer of large numbers of domain names to corporations which can warehouse domains at their pleasure, insulated by their successful UDRP case - possibly preventing their use by subsequent parties who might actually be entitled to the domain. The greatest danger presented by such decisions is the likelihood that UDRP practice will influence domestic, court-based domain name disputes, ushering in a significant loosening of established Intellectual Property rules by the backdoor.

Notes and References

Acronyms

CDRP CIRA Domain Name Dispute Resolution Policy

CIRA	Canadian Internet Registration Authority
DNS	Domain Name System
ECJ	European Court of Justice
ICANN	Internet Corporation for Assigned Names and Numbers
ODR	Online Dispute Resolution
RSP	Resolution Service Provider
SLD	Second Level Domain
UDRP	ICANN Uniform Dispute Resolution Policy
WIPO	World Intellectual Property Organisation

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