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**An Assessment of ICANN's Mandatory  
Uniform Dispute Resolution Policy in Resolving  
Disputes Over Domain Names.**

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## **Abstract**

The UDRP constitutes a major step forward in Internet governance. Although not without its shortcomings, analyzed within the ambit of its objectives, the Policy has succeeded in most respects. It has allowed trademark holders to recover domain names held by cybersquatters in a cost and time effective manner. At the same time, the UDRP has provided a relatively level playing field for combatants, as many disputes involve contests between 'Davids' and 'Goliaths', but without the certainty that Goliath will prevail. Suspect UDRP decisions are primarily anomalies, although forum shopping remains a legitimate concern. With time and a little fine-tuning, the UDRP will undoubtedly serve as a model for future initiatives to regulate conduct on the Internet.

**Keywords:** UDRP, ICANN, WIPO, Internet, Arbitration, Domain Name.

## **1. Introduction**

### **1.1 Background**

The Domain Name System (popularly referred to as the DNS) allows users to navigate the Internet. Although additional suffixes will be forthcoming this summer, there are presently seven generic Top Level Domains (gTLDs). The gTLDs are comprised of '.com', '.edu', '.gov', '.int', '.mil', '.net' and '.org'. Of these suffixes, only three are available to the public at large (i.e. dot-com, dot-net and dot-org). In addition, there are presently 243 country code Top Level Domains (ccTLDs). For example, in Australia there is '.au' and in Canada there is '.ca'. ccTLDs are, with a couple of notable exceptions, administered at the national level by the specific country.

Disputes over domain names represent a paradigm of the transformation of the Internet itself. Originally the purview of the academic community, the Internet is rapidly evolving into the most important commercial medium in the world today. Rules that were crafted by volunteers from the military and academic communities, as much by happenstance as by aforethought, have not adapted well to the new commercial realities. Nowhere was this more evident than in the allocation of domain names.

Until 1998, the DNS was administered by the Internet Assigned Numbers Authority (IANA). IANA, comprised primarily of volunteers drawn from academic and military circles, who struggled to cope with the exponential growth of the Internet. Disputes over domain names evolved from technical squabbles into full blown commercial disputes with social and political overtones.

IANA was replaced by the Internet Corporation for Assigned Names and Numbers (ICANN), a non-profit California corporation established in October 1998. The incorporation of ICANN arose as a product of public consultation that culminated in the United States Department of Commerce's *Statement of Policy on the Privatization of Internet Domain Name System* (the DNS White Paper). The DNS White Paper promoted a non-governmental body to oversee the DNS:

The US Government is committed to a transition that will allow the private sector to take leadership for DNS management. Most commenters [sic] shared this goal. While international organizations may provide specific expertise or act as advisors to the new corporation, the U.S. continues to believe, as do most commenters [sic], that neither national governments acting as sovereigns nor intergovernmental organizations acting as representatives of governments should participate in management of Internet names and addresses. Of course, national governments now have, and will continue to have, authority to manage or establish policy for their own ccTLDs.

Upon the creation of ICANN, the United States Department of Commerce, together with countries and international bodies, ceded authority to ICANN to manage the DNS.

## **2. What is ICANN?**

ICANN is a non-profit corporation comprised of eighteen directors, five of whom are elected from the public at large. Paradoxically, it states that it has no members, ostensibly a contradiction in terms for a non-share company. In 1999, through an agreement worked out with Network Solutions Inc. (now VeriSign, Inc.), ICANN was able to end Network Solution's monopoly on the registration of gTLDs. Nonetheless, under the agreement, VeriSign maintains its position as the master registrar and registry for the dot-com, dot-net and dot-org TLDs.

As a corollary to the process that led to the creation of ICANN, public and private input sought the establishment of a universal system that would assist in resolving domain name disputes. Many enterprising individuals and businesses had recognized the potential value of domain names by registering them long before many trademark and other rights holders turned their minds to registering their trademarks as domain names. This led to many protracted battles to recover domain names that ostensibly exploited the goodwill of established rights holders.

## **3. ICANN's Uniform Name Dispute Resolution Policy**

Although the DNS allocation of gTLDs was quite structured, the administration and enforcement lacked any jurisdictional coherence. As is evident in other Internet related legal issues, the network of networks presents a logistical challenge to law makers and those who might attempt to enforce rules. Jurisdiction may be uncertain and if certain, may rest with a legal regime that is ill-equipped to cope or unwilling to deal with such disputes.

Prior to ICANN, Network Solutions administered its own name dispute resolution policy. A complainant could enlist the assistance of Network Solutions to place a domain name on hold. If Network Solutions agreed that the domain name holder was not entitled to the registration, it would withdraw the name from service. The actual implementation of the Policy by Network Solutions was fraught with innumerable dubious legal results. The

dispute over Acds.com is an excellent case in point. CD Solutions chose the domain name cds.com when it established an Internet presence in February of 1996. In 1997, CDS Networks (Commercial Documentation Services and the holder of a 'CDS' trademark) decided it wanted to possess the cds.com domain name. CDS Networks asked Network Solutions to suspend the 'cds.com' domain name which Network Solutions agreed to do, notwithstanding what appears to be the complete absence of legal authority. There are in total twelve registrations of 'CDS' as a trademark in the United States covering a variety of goods. Moreover, the domain name 'cds.com' does not impinge upon the goodwill of the CDS Networks' trademark. CD Solutions only recourse was litigation where it obtained a court order requiring Network Solutions and CDS Networks to remove any impediment to its use of the domain name.

ICANN adopted the Uniform Name Dispute Resolution Policy (UDRP) on December 1, 1999, following a report issued by the World Intellectual Property Organization (WIPO). The UDRP provides that all accredited domain name registrars must abide by its terms. By conscripting name registrars to participate in the UDRP, ICANN was able to create a prescriptive regulatory regime thereby obviating many of the logistical impediments to regulating any Internet based activity. The WIPO Arbitration and Mediation Center was the first dispute resolution provider to be accredited to administer the UDRP. At the time of writing, there are now four providers that have been accredited.

On balance, the UDRP represents a major step forward in Internet governance. However, to analyze the success of the UDRP to date, it is necessary to review WIPO's objectives in putting the Policy forward. The key objectives of the Policy can be summarized as follows:

- The Policy is limited to disputes involving deliberate, bad faith, abusive domain name registrations (often termed 'cybersquatting');
- Parties may elect to litigate;
- Remedies are restricted to the status of the domain name (i.e; no award of damages).
- Registrars are exempt from the proceeding provided they have complied with the Policy.

Under the UDRP, to avail oneself of the Policy, a complainant must assert that three elements are present:

1. The domain name is identical or confusingly similar to a trademark; and
2. The responding party does not have a legitimate interest in the domain name; and
3. The domain name is being used in bad faith.

It is also noteworthy to review paragraph 4b. of the UDRP, which addresses circumstances which connote bad faith:

- The domain name has been acquired principally for the purpose of selling it; or
- The registration is designed to prevent a trademark holder from using it in a domain name; or
- The registration is designed to disrupt the business of a competitor; or
- The use of the domain name is intended to confuse the public or divert users away from the trademark holder's web site.

Thus by definition, the UDRP only addresses what are perceived to be the most egregious of domain name disputes. Moreover, the system was designed to create a:

'level playing field for small business defendants who do not have the financial resources to battle major corporations in court'.

The paramount considerations of ICANN in creating the policy can be summarized as facilitating a time efficient and cost effective dispute resolution mechanism. It is therefore within this narrow context that one must assess the Policy to date.

As of May 21, 2001, there had been 2,853 cases involving 5,206 domain names decided under the UDRP. A further 488 were in process involving 777 domain names. The breathtaking pace of decisions, it having been less than seventeen months since the UDRP was implemented, has made it relatively easy to discern basic statistical trends. Of the 5,206 domain names dealt with to date, arbitrators have transferred the domain name to the complainant 4,012 times, or approximately 77%. What is much harder to discern is whether there are patterns of reasoning and what precedent value, if any, is being ascribed to earlier decisions.

#### **4. Famous People**

Several of the higher profile domain name cases involve celebrities attempting to retrieve a domain name that uses all or part of their name. One of the immediate hurdles a celebrity faces in advancing a claim under the UDRP is that their name is not the subject matter of a trademark. This issue was a key consideration of the Presiding Panelists in *Julia Roberts v. Russell Boyd*. If the Complainant could not establish trademark rights in her name, then the Complaint would have to fail, regardless of the other factors at issue.

The Panel had little difficulty in determining that Julia Roberts had sufficient common law trademark rights to advance her claim under the UDRP. The Panel cited *Jeannette Winterson v. Mark Hogarth*, another decision of the WIPO Arbitration and Mediation

Center, which held that an author has common law trademark rights in her name. Having met this hurdle, the Panel had little difficulty in finding that the registration was in bad faith. Evidence was tendered that the Respondent had registered domain names of other celebrities and had place the domain name for auction on eBay. Although the actual result of the Panel may be laudable in the Julia Roberts case, the Respondent not having any legitimate interest in the domain name, the reasoning represents a clear expansion of the ambit of the UDRP. Depending upon which Forum the complainant selects, submissions will be limited in most cases to ten pages, or 5,000 words. In other cases, asserting or defending a claim for a common law trademark will present a significant logistical challenge that is ill-suited to the streamlined administrative process established by the UDRP.

A panelist arguably further extended the ambit of the UDRP in a decision rendered in *Kevin Spacey v. John Zuccarini*. In distinction to other similar cases, the domain name was similar, but not identical to that of the celebrity (i.e; 'kevinspacey.com'). However, given the failure of the Respondent to file any responding materials, the decision of the Panelist to award the domain name to the Complainant seems beyond reproach.

Yet it is equally clear that merely using the name of a celebrity is not, *per se*, objectionable. There are innumerable books entitled 'Elvis', yet no legal scholar would seriously assert that the authors were not entitled to name their books in the manner that they did. Indeed, in the *Jeannette Winterson* case, the Panel considered the English case, *Elvis Presley Trade Marks*. The judge in the first instance cited a decision of the Privy Council, which stated:

'In this country we do not recognise the absolute right of a person to a particular name to the extent of entitling him to prevent the assumption of that name by a stranger...'

Nevertheless, the Panelist dismissed the Elvis Presley case and held that paragraph 4a of the UDRP should be broadly interpreted. A similar approach was evident in *Daniel C. Marino v. Video Images Productions* where the Panel held that it would be very difficult to conclude that the Respondent had any legitimate interest in using the domain name.

It is thus apparent that the interpretation of the UDRP in certain celebrity cases is expanding the rights of trademark holders, quite possibly in a manner that appears to be beyond the contemplation of the drafters of the UDRP. The Interim Report of the Second WIPO Internet Domain Name Process, in discussing the rights of celebrities to their names, notes that:

'extending uniform protection for such names, under a theory of personality rights, is a complex endeavor, as the law on this subject is itself not well harmonized with respect to the legal basis and the constituent elements that must be established for infringement'.

It seems that a better approach would be to construe the UDRP more narrowly and leave complex questions of personality rights and common law trademarks for judicial

consideration. This approach was adopted by the Panelists in *Bruce Springsteen v. Jeff Burgar and Bruce Springsteen Club*. Specifically rejecting the reasoning advanced in the *Dan Marino* case, the Panel observed in declining to transfer the domain name to the Complainant that:

... users of the internet do not expect all sites bearing the name of celebrities or famous historical figures or politicians, to be authorised or in some way connected with the figure themselves. The internet is an instrument for purveying information, comment, and opinion on a wide range of issues and topics. It is a valuable source of information in many fields, and any attempt to curtail its use should be strongly discouraged. Users fully expect domain names incorporating the names of well known figures in any walk of life to exist independently of any connection with the figure themselves, but having been placed there by admirers or critics as the case may be.

While the result in the *Bruce Springsteen* case can be questioned given the paucity of evidence advanced by the Respondent as to his legitimate interest in the domain name, the reasoning serves as a compelling rebuttal to the Panels who have broadened the application of the UDRP.

Another area fraught with the potential for convolution involves the names of celebrities that are the same as common monikers. In *Madonna v. Parisi*, the Panelist sided with the well known female singer / actress in ordering that the domain name be transferred to Madonna. Madonna is the holder of the trademark 'Madonna' in connection with entertainment and related goods. Although the word 'Madonna' has several other associations, the Respondent failed on two key fronts; namely:

- That his offer to transfer the domain name to the Madonna Hospital constituted a legitimate non-commercial use as contemplated by Section 4c (iii) of the UDRP; and
- That he had a legitimate interest in the domain name.

So within the narrow confines of the UDRP, one cannot take umbrage with the decision. However, one wonders what would have been the result if the Respondent had been a legitimate user of the name, perhaps the Madonna Hospital to whom the Respondent had intended to transfer the domain name.

In its decision in *Madonna v. Parisi*, the Panelists distinguished the case of *Gordon Sumner, p/k/a Sting v. Michael Urvan* where the Panelist had declined to transfer the domain name 'sting.com' to the Complainant. While the Panelist conceded that the UDRP applies to unregistered or common law marks, he remarked that:

'Although there are several cases under the Uniform Policy where the Panel treats the personal name of a famous person as constituting an unregistered mark sufficient for the purposes of this Policy, this case can be distinguished as the word sting is also a common word in the English language with a variety of

meanings’.

However, the Panelist went on to say that he did not have to make a ruling on that point, as the Complainant had failed to satisfy him that the Respondent had registered the domain name in bad faith. While the Complainant tendered evidence that the Respondent had offered to sell the domain name to him, the Respondent countered that such offer was only made in response to a solicitation from the Complainant. Accordingly, the Panelist concluded that merely responding to an offer of sale did not constitute evidence of bad faith as required by Section 4b (i) of the UDRP. This reasoning seems sound as to conclude otherwise, would in effect allow the trademark owner to set a trap for the unwary domain name holder.

## **5. Competing Proprietary Interests**

The summary arbitration procedure provided for by the UDRP seems particularly ill-suited to disputes between competing proprietary interests. Now it should be noted from the outset that the use of the UDRP is not prescriptive. Parties can elect to litigate in lieu of pursuing their remedies under the UDRP and thus if the parties do elect to proceed under the UDRP, they do so at their own peril.

In *Pet Warehouse v. Pets.Com*, the Complainant objected to the Respondent’s registration of the domain name ‘petwarehouse.com’. The Panel declined to transfer the domain name, noting that the Complainant had previously abandoned a trademark application in 1997 for ‘Pet Warehouse’ and thus its rights to the name were in question. Moreover, the words ‘pet’ and ‘warehouse’ were both generic terms. Further, another entity had carried on business as ‘Pets Warehouse’ for a period of at least ten years prior to the Complainant’s use of its name. It is submitted that the Panel rightly concluded that:

‘the ultimate decision as to whether Complainant does or does not have proprietary rights is better left to a court or trademark office tribunal’.

Similar approaches were adopted in each of *Goldline International, Inc. v. Gold Line and Rogers Cable Inc. v. Arran Lal*. In both cases, the Respondents were able to establish some legitimate rights to the domain name and thus the Complainants’ requests were declined. In the *Rogers Cable* case, the Panel specifically rejected as evidence of bad faith, a counter-offer by the Respondent to sell the domain name for more than his out-of-pocket expenses. This reasoning follows the line of reasoning advanced in the *Sting* case, which found that merely replying to an offer to sell a domain name did not constitute requisite bad faith.

The ambit of the UDRP was specifically canvassed in *Quarerview v. Quarerview Co., Ltd.*, a dispute between a former employee, the Complainant and his employer, the Respondent. The Complainant sought to recover domain names registered by him prior to the incorporation of the Respondent. Importantly, the Complainant was unable to demonstrate any trademark interest in the domain names. The Panel concluded that:

‘the dispute that is the subject of the complaint is not within the narrow scope of



the UDRP and rejected the application to transfer the domain names’.

While in most cases it will not be desirable to narrowly construe the UDRP, where the pith of the dispute transcends domain names, the approach taken in the *Quarterview* case has merit.

A very technical approach to the UDRP was evident in the Panelist’s decision in *Scottish Provident Institution v. Scottish Provident Ministry*. Although the Complainant’s rights to the name were unassailable, it holding various trademarks and having carried on business under that name since 1837, the Complainant was unable to establish the requisite bad faith on the part of the Respondent, who had made no use of the domain name. Although some decisions rendered to date can be criticized for their apparent bias in favor of the trademark holder, this decision most certainly errs on the other side. A preferable approach would be to create a reverse onus on the Respondent where a domain name is identical to an existing trademark. In this case, the Respondent did not even file material and as the Panelist concluded, appeared to have no legitimate interest in the domain name. The outcome appears perverse and antithetical to the underpinning of the UDRP.

Another case of competing proprietary interests is *Brisbane City Council v. Warren Bolton Consulting Pty Ltd*. Paralleling many of the issues evident in the celebrity names’ cases, at issue was whether the Complainant could assert a common law trademark in ‘Brisbane City’ and thereby reclaim ‘BrisbaneCity.com’. Following the reasoning adopted in another UDRP case brought by an aggrieved geographical entity that had similarly not registered a trademark, the Panel concluded that:

‘the legal authority of a geographical area does not, as a matter of principle, have an exclusive right to the name of that area’.

The Panel distinguished this line of cases from those where the geographical area had in fact registered a trademark or acquired rights that would entitle it to a trademark. This approach, once again, seems preferable to an overly expansive reading of what constitutes a ‘trademark’ and seems consistent with the spirit of the UDRP.

If both the complainant and the respondent can establish an interest in the domain names, the complaint will almost certainly fail. In *Calstore.com v. Calstore.net*, both parties were able to demonstrate an interest in the name. The Complainant carried on business as California Store, while the Respondent carried on business as Calcutta Store. Since both parties could demonstrate an interest in the domain name, the Complainant was entitled to retain ‘Calstore.net’.

## **6. The ‘Dot-Sucks’ Phenomenon**

The Internet has, in certain respects, empowered the masses. It affords all who have access to it, with a venue to disseminate information. This has led many to register domain names that encompass the trademark, together with the suffix, ‘sucks’.

Businesses wise to this practice have taken the preventative step to register on their own behalf, a dot-sucks web site that includes their trademark. 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 difficulty to date is that none of the decisions under the UDRP involve a simple case of a protest name without an ulterior financial intent. A typical case is that of *Wal-Mart Stores v. MacLeod*. The Respondent had registered the domain name 'Wal-Martucks.com', but had not made any actual use of the site. In contrast to the *Scottish Provident* case where the Respondent did not file any material, the Respondent conceded that the registration was made in bad faith, acknowledging specifically that his sole purpose in registering the domain name was to sell it. Thus the key consideration before the Panel in the *Wal-Mart v. MacLeod* case was whether or not the registration of 'Wal-Martucks.com' was confusingly similar to the trademark. The Panel gave a very liberal interpretation to 'confusingly similar', but left open the door for an argument to be made on behalf of 'true protest sites'. The same conclusion was reached in *Wal-Mart Stores v. Walsucks*, which dealt with a variety of dot-sucks registrations appended to 'Walmart'. This case had very similar facts (in particular that none of the disputed web sites were being used as protest sites) to the *Wal-Mart v. MacLeod* case.

One dot-sucks site where the Respondent successfully retained his parody sites is *Lockheed Corporation v. Dan Parisi*. The dicta advanced by the majority of the Panelists (and specifically rebutted by the dissenting Panelist) is that a parody sight is never confusingly similar to the name of the trademark holder. Adopting the reasoning of the United States Federal Court in *Bally Total Fitness v. Faber*, the majority of the Panelists concluded that the Complainant could not establish confusion with its trademark. The dissenting Panelist adopted the approach of the Panel in *Wal-Mart Stores v. Walsucks*.

The ambit of the UDRP was tested in the Complaint brought before the World Intellectual Property Organization's Arbitration and Mediation Center by Canadian retailer, Canadian Tire against Mick McFadden. Mr. McFadden had registered the domain name 'CrappyTire.com', which he said was used as an anti-Canadian Tire protest site. Canadian Tire sought unsuccessfully to convince the Panel that it had acquired common law trademark rights in the moniker 'Crappy Tire'. On its face, CrappyTire.com is a legitimate protest site and therefore the decision is consistent with the intended application of the UDRP.

## **7. The Cybersquatter**

One of the primary underpinnings of the UDRP was an attempt to restrict cybersquatting. In its simplest form, cybersquatting is the registration of a domain name with a view to profiting from another entity's trademark. In the United States, *The Anticybersquatting Consumer Protection Act* lends considerable assistance to an aggrieved trademark holder in dealing with a cybersquatter. It creates a private cause of action for aggrieved parties. If a complainant can establish a sufficient nexus for either party with the United States of America, its arsenal of weapons is greatly enhanced by having the threat of, if not actual recourse to, *The Anticybersquatting Consumer Protection Act*.

The potential for the abusive use of *The Anticybersquatting Consumer Protection Act* was seen in *Reuters v. Tan*. At issue was the Respondent's domain name, 'Ereuters.com'. The

dispute itself was between a complainant based in England and a respondent based in Singapore. Nonetheless, counsel for Reuters threatened the Respondent with the specter of a \$100,000 (US) fine under the Act. In logic strikingly similar to the *Scottish Provident Institution* decision, the Panelist concluded that the Complainant had not established the requisite element of bad faith, as the Respondent had not made commercial use of the site and had not offered it for sale. Importantly though, the Panelist paid little heed to the Complainant's arguments based on *The Anticybersquatting Consumer Protection Act*, which had no connection to the parties to the Arbitration.

In certain cases, alleged cybersquatters have prevailed as the domain name is sufficiently generic in nature. In addition to a generic domain name, a finding that a respondent has not endeavored to sell it is crucial for the complaint against the cybersquatter to fail.

## **8. The Question of Governing Law**

In *Madonna v. Parisi*, the Panelists dismissed, almost out of hand, the fact that the Respondent had managed to register the trademark 'Madonna' in Tunisia. It is hard to dispute the reasoning in that case. The Respondent had conceded that a registration in Tunisia is made without any substantive examination and was done solely to protect his interest in the domain name. Nonetheless, the case does raise the potentially vexing question as to what law governs a UDRP proceeding.

Professor Michael Froomkin, in a commentary delivered to the World Intellectual Property Organization prior to ICANN's adoption of the UDRP, commented on what he termed a 'smorgasbord approach to law'. The very nature of the Internet raises complex questions of jurisdiction. The server hosting the domain site may be in a different jurisdiction from the parties, which in turn may be in a different jurisdiction than the domain name registrar. Accordingly, there is the possibility that the laws of four jurisdictions might impinge upon a domain name dispute. Nonetheless, the Rules of the UDRP do not offer guidance to the Panelists in deciding whose laws apply.

In *WPP Group Plc v. WPP*, the Panel was faced with competing trademark registrations in different jurisdictions. The Complainant had registered a trademark of 'WPP' in the United Kingdom in 1996, while the Respondent had registered its 'WPP' trademark in France in 1999. The Complainant had registered in 1998 the domain names 'wppinternational.com' and 'wppmultimedia.com'. The parties conceded that the domain names were potentially confusing with the trademark of the Complainant. The Panelist avoids any consideration of whose laws governs, and focuses on the issue of bad faith. Given that the Respondent clearly had some legitimate commercial rights to the name 'WPP', the Panelist was able to conclude that the domain names should not be transferred.

## **9. Arbitration Versus Judicial Consideration**

Although perhaps trite, the fact that the UDRP is being administered through an arbitration process rather than a judicial system, creates an inherent level of uncertainty.

Arbitrators are clearly not bound by the decisions of their counterparts. That being said, the UDRP Rules require that all decisions be published on the Internet. It has become commonplace for the parties or their counsel to cite previous decisions as if they carried some precedential value. However, the only guiding principle for the Panelists is set out in Rule 15 (a) of the UDRP:

A Panel shall decide a complaint on the basis of the statements and documents and in accordance with the Policy, these Rules and any Rules and principles of law that it deems applicable.

Beside providing no guidance as to whose laws govern, the Rules are silent on procedural questions taken for granted in litigation. For example, what inference can be drawn if a party tenders no evidence on an issue? In *Loblaws, Inc. v. Yogeninternational Inc.*, the Panel cited the principle of American law that the failure of a party to tender evidence within its control allowed it to draw a negative inference. This principle does not have universal application and should not be advanced unless both parties are clearly governed by American law, which notably was not the situation in the *Loblaws*'s case. Clearly a panelist will be pre-disposed to apply the laws with which he is most comfortable.

A number of conflicting positions are emerging. Does mere registration of a domain name constitute evidence of bad faith? To what extent can celebrities and geographical entities without formal trademark registrations avail themselves of the UDRP? To what extent are parody domain names allowed? The existence of an arbitration procedure is presently exacerbating, rather than clarifying, the present state of confusion.

Perhaps some relief will come from the judicial review of the Panelist's decisions under the UDRP. Rule 3b (xiii) of the UDRP allows for an appeal to a 'Court of Mutual Jurisdiction'. A Court of Mutual Jurisdiction is found either where the principal office of the Registrar is, or alternatively at the domain holder's address set out in the Whois database. In *Weber-Stephen Products Co. v. Armitage Hardware and Building Supply Inc.*, an American court held that it was not bound by an ICANN administrative proceeding. The Court also declined to consider what deference, if any, it would afford a Panel's decision pursuant to the UDRP.

A light at the end of the tunnel may emerge from the high profile domain name dispute, *America Online Inc. v. John Deep d/b/a Buddy USA Inc.*, which will now apparently be appealed. The decision of the Panel was by a majority and both opinions are well crafted. A carefully drafted judicial opinion reviewing the Panel's finding will serve as a useful guide in all future UDRP arbitrations. Although the court's decision will not carry precedential value *per se*, it should nonetheless carry considerable sway with UDRP Panels.

## **10. A Question of Procedural Fairness**

Any analysis of the UDRP must acknowledge, at least to some degree, that the Policy constitutes 'rough justice'. To a certain extent, this inevitable given the nature of the UDRP. It is an administrative proceeding, relying entirely on the written submissions of

the parties. Authorized dispute resolution providers limit the length of submissions that can be made by the parties. WIPO, by way of example, limits the complaint and the response to 5,000 words. Decisions by other panelists may be ignored or followed, without regard to precedent. Such issues inevitably raise concerns of procedural fairness and natural justice. Yet it must not be forgotten that the complainant elects to use the UDRP, and in so doing assumes the risks appurtenant to a streamlined proceeding. If the issues are complex, then an aggrieved person might well elect to litigate in lieu of using the UDRP, to ensure that his case is fully considered.

## **11. From Whence, Whither the Policy**

As the Internet has grown exponentially in the last several years, the challenge associated with regulating its users and its abusers has grown concomitantly. That being said, it is apparent that the UDRP represents a remarkable achievement in crafting and implementing a policy to govern a central aspect of the Internet, namely the allocation and administration of domain names. Its successes have been many:

1. It has offered a mechanism to return domain names to appropriate trademark holders from cybersquatters;
2. It provides an effective mechanism to enforce rights, avoiding forum shopping and issues of compelling compliance in an environment that is otherwise largely unregulated;
3. It has fulfilled its mandate of providing a cost and time effective means of resolving domain name disputes;
4. It has leveled the playing field for protagonists, where the financial resources of the parties does not dictate the outcome;
5. It successfully supplanted Network Solutions' Policy, which was largely *ad hoc* and fraught with dubious legal positions;
6. The parties do not need to travel in order to have their dispute resolved;
7. Although there is no precedent *per se*, the wide dissemination of all decisions has resulted in the rapid development of a large body of case law. The web site, Domain Name Law Reports ([www.dnlr.com](http://www.dnlr.com)) allows users to search through UDRP decisions; and
8. Many arbitrators are intimately familiar with trademark laws, thus bringing a greater level of expertise than would be evident in a court of law.

Nonetheless, the UDRP is not without its shortcomings. In particular:

- As there is no system of precedent, decisions on crucial questions (e.g.

allegations of bad faith and parody web sites) continue to go both ways;

- Certain cases that although within the ambit of the UDRP, cannot be dealt with effectively based on the restricted length of submissions required of the parties;
- Panelists have little guidance to assist them in resolving choice of law questions; and
- The ambit of the UDRP as it relates to celebrities and geographical areas without registered trademarks remains uncertain.

## **12. Conclusion**

It should be recalled that the UDRP, from the outset, was not intended to resolve all domain name disputes. Rather, it was designed to provide a cost and time effective solution for an aspect of one of the Internet's most pressing concerns, namely, the more egregious battles for domain names. Viewed from this perspective, the UDRP must be regarded as an almost unequivocal success. The UDRP has proven to be a very effective mechanism for restoring names to trademark holders from cybersquatters.

Moreover, the UDRP is a voluntary process. Parties are free to litigate if they so chose. Thus if the battle is between competing proprietary interests, it behooves the complainant to litigate, rather than proceed under the UDRP. If damages are an important issue, then a complainant will also likely chose to litigate as the UDRP does not allow for an award of damages.

One issue that is clearly troubling is the emergence of differing statistical trends among the arbitration centers. Professor Milton Mueller of Syracuse University reviewed the first 2,166 domain cases decided under the UDRP and observed that the complainants prevailed significantly more often in cases decided by the World Intellectual Property Organization and National Arbitration Forum than at eResolutions. At WIPO, complainants had succeeded in 67.5% of the cases and at NAF, in 71.5%. This contrasts sharply with eResolutions, where the complainants' success rate was just 44%. This raises the very real possibility of forum shopping. Nonetheless, as UDRP decisions proliferate, a body of case law is certain to emerge. Further, given a free market to select among the four arbitration centers accredited under the UDRP, all will undoubtedly strive to eschew any hint of bias, to maintain or augment their share of cases. As well, a losing party can appeal a decision under the UDRP and in such circumstance, the transfer of the domain name is put on hold.

The UDRP constitutes a tremendous achievement in a key aspect of Internet governance. Its shortcomings to date are, on balance, significantly outweighed by its achievements.

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