

OUTLINE

ICANN'S DISPUTE RESOLUTION POLICY IN ACTION: A DEFAULT VICTORY FOR TRADEMARK OWNERS?

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Strategy: *Thanks to the ongoing ICANN elections and increasingly vocal critics, UDRP is a hot topic right now. New articles are published daily. My biggest challenge will be keeping pace with the latest information and adjusting the paper to keep it unique. If there is a major shift in the policy later this year or early next year, I may adjust the focus to a more descriptive/positive analysis.*

I. Introduction

- Introduce UDRP and ACPA as latest efforts to bring order to domain name registration – represents evolution of legal rules governing cyberspace.
- Define cybersquatting, why it is a bad thing, etc.
- Frame issue – UDRP off to roaring start (cite latest stats), why is it so popular, program under considerable fire, is criticism warranted? Focus on high Respondent default rate.
- Use triadic relationship – Institutions, Resources Culture – to frame analysis.

II. Background

A. Historical Overview: Brief discussion of precursors to UDRP and ACPA – what worked, what didn't (brief overview of court cases involving domain name). What problems are UDRP and ACPA intended to resolve? [I will accomplish some of this by referencing the 2000 Annual Review article.] What challenges are unique to cyberspace, etc.?

B. UDRP Policy:

- Designed for cases involving abusive registrations.
- Dispute Resolution Service Providers: WIPO, CPR, DeC and NAF. WIPO handles most of the cases. Discuss who the panelists are (backgrounds, etc.). Reference recent study finding that WIPO and NAF find for Complainant 80% of the time, while DeC finds for Complainant 55% of the time. Also discuss differences in administrative procedures and fees.
- Complaint Procedure: Discuss filing requirements and what Complainant must assert and prove.

➤ Identical or confusingly similar requirement.

- Legitimate rights and interests requirement.
 - Bad faith registration and use requirement.
- Response Procedure: Discuss 20-day requirement, requirements to ensure proper notice, etc. Discuss default procedures, burden remains on Complainant.
 - Panel Proceedings: Discuss remedies, court options. Brief blurb on decisions appealed to the courts.

III. Perspectives on the UDRP in Action

A. Practitioner Perspectives:

- Fast, inexpensive, simple, fair.
- Strict limits: designed for clear-cut cases of abusive registration; other cases better handled by courts.
- Can be too slow if trademark owner wants to stop cybersquatter right away.
- No damages available through UDRP.
- Most plan to use UDRP in tandem with court actions under the ACPA.

B. Academic Perspectives:

- UDRP swings door wide open for trademark owners to challenge any domain name that is remotely similar to trademark.
- Makes domain name firewall for trademark protection, giving trademark owners greater rights than ever before and impinging on First Amendment rights.
- Potential improvements: tort action for trademark misuse, etc.

C. Activist/Consumer/Popular Organization Perspectives:

- Vehement critics of ICANN in general, including UDRP.
- Bias in favor of big corporate trademark holders. Dispute resolution providers, particularly WIPO, have incentive to find in favor of trademark owners – drum up future business, etc.
- UDRP should be abolished – courts should handle all disputes.
- Improper use of precedent by panels, inconsistent application.
- Law of cyberspace being made at warp speed.
- Law making system without law-making legitimacy – people can't voice concerns or participate in formation.

D. ICANN Elections for At-Large Directors – Candidate Perspectives

- ICANN's first global on-line election began on 1 Oct and runs through 10 October.¹

¹ I am a registered ICANN "At Large" member and will cast my vote this week. As a registered member, I regularly receive e-mails regarding the latest ICANN activities, etc.

- 27 Candidates running for 5 seats
- Survey conducted by Internet Democracy Project – 19 candidates surveyed, 11 believe UDRP does not protect free speech rights; 16 believe UDRP needs to be reevaluated/studied.
 - Bias in favor of IP owners.
 - Does not represent non-commercial interests.
 - Strengthens questionable rights of trademark owners.
 - Domain name holders not given chance to participate in UDRP design.
 - Inconsistent/wrong application – need free speech and generic word protection in new UDRP. Need Board of Appeals.
- Survey conducted by Center for Democracy and Technology – 6 said UDRP biased in favor of trademark owners, 7 said it strikes a good balance, 5 had “other” comments, and 9 did not respond.
 - Substantial Reform or downright elimination
 - Needs to be open to everyone, not just trademark owners.
 - Need to look at actual conduct, remedy should be limited to preventing “complained-of” use rather than transfer or cancellation.
 - Lacks broad community representation that would lead to consensus and legitimacy.
 - Need to allow diverse policies to reflect diverse law.
 - ICANN needs to play stronger role to ensure consistency, not arbitration organizations.
 - Need penalties for reverse domain name hijacking.
 - Enforce abusive registration limit; other cases go to courts.
 - ICANN shouldn’t be in the business of dispute resolution

III. Analysis – Focus on Default Cases

A. Default Statistics: 47% of decided cases involved Respondent default. Complainant prevailed in 95% of those cases.²

- Good of Bad? Perspectives on what the default rate signifies? UDRP working or not?
- Are panels sticking to the policy in default cases? Are Complainant’s meeting their burden? Inconsistencies?

B. Case Analysis – Phase One: In cases of default, do Panels consistently enforce the requirement that Complainant’s allege AND prove the required elements? Analysis will uncover inconsistencies, including some disturbing “conclusory” arguments that seem to fly in the face of the policy. What are the patterns? What is driving Panels?

² I will continue to update these numbers as I work on various drafts. ICANN updates its web site daily, so keeping track of new cases is simple. This process will also help me spot any emerging trends.

Cases where Complainant gets “default” judgement.

- David G. Cook v. This Domain Is For Sale, FA94957 (Jul. 12, 2000)([camptime.com](#))
 - Conclusory arguments by Panel. Default allows inference that Respondent knows web site is misleading.
 - Failure to respond also supports inference that Respondent intended to sell domain.
 - Concludes there is pattern of conduct based only on Respondent’s name. No actual evidence of cybersquatting.

- Faithnet, Inc. v. Believers Fellowship of Lakeland, FA93666 (Mar. 20, 2000)([faithnet.org](#))
 - Renewal of domain name by holder after he was notified by trademark owner of rights is evidence of bad faith. Wow! What if Respondents have legit complaints? Are they supposed to turn the name over? Don’t they get a chance to defend themselves?

- Slep-Tone Entertainment Corporation D/B/A Sound Choice Accompaniment v. Sound Choice Disk Jockeys, Inc., FA93636 (Mar. 13, 2000)([sound-choice.com](#))
 - Disturbing decision takes domain away from legitimate DJ business named Sound Choice.
 - Claims Respondent had obligation to find out that name was trademarked. This is not a clear-cut case and should not be handled by the UDRP, particularly in case of default.

- Adventure City, Inc. v. Robert Giunta, FA93632 (Mar. 15, 2000)([adventurecity.com](#))
 - Conclusory discussion – Complainant does not meet burden, but wins anyway.

- Wine.com, Inc. v. Zvieli Fisher, WIPO D2000-0614 (Sep. 11, 2000)([virtualvineyards.com](#))
 - Panel shifts burden regarding legitimate use to Respondent. May in practice be correct, but language is in conflict with Policy.

Cases where Panels enforce burden requirement

- *Lowestfare.com LLC v. US Tours & Travel, Inc.*, DeC AF-0284 (Sep. 9, 2000)(thelowestfare.com); *Media West-GSI, Inc., and Gannett Satellite Information Network, Inc., d/b/a The Burlington Free Press v. EARTHCARS.COM, Inc.*, WIPO D2000-0463 (Jul. 28, 2000)(freepressclassifieds.com); *Shopping.com v. Internet Action Consulting*, WIPO D2000-0439 (Jul. 28, 2000)(www-shopping.com).
 - Complainants did not own trademarks. Panels did exhaustive trademark analysis addressing distinctive marks, secondary meaning, etc.
 - Trademarks will not be transferred to licensees, only owners.

- *Raj Vasant Pandit v. Vishal Bhuta*, DeC AF-0224 (Jul. 10, 2000)(industrialproductfinder.com)
 - Complainant bears burden of pleading at least prima facie case.
 - Panel limited to findings based on facts presented by Complainant. Complainant must offer at least some modicum of specific, factual allegations, not merely conclusory legal assertions.

- *Cyro Industries v. Contemporary Design*, WIPO D2000-0336 (Jun. 19, 2000)(acrylite.com); *Sporoptic Pouilloux S.A. v. William H. Wilson*, WIPO D2000-0265 (Jun. 16, 2000)(buyvuarnetsunglasses.com)
 - In cases of default, Complainant’s paperwork will be held to exacting standard. Unauthenticated copies not acceptable.
 - Challenges “inaction doctrine.” Uses inaction to conclude there is NO bad faith (conflicts with other panels).
 - UDRP REQUIRES clear proof of bad faith.
 - Panels often check out web sites in question to draw own conclusion re use.

- *Cellular One Group v. Vanguard Cellular Systems, Inc.*, WIPO D2000-0268 (May 30, 2000)(cellularone.net)
 - Panel said dispute between trademark owner and licensee is for the courts, not the UDRP.

C. Case Analysis – Phase 2: Several Panels have followed the arbiter-developed “inaction doctrine.”³ Under the doctrine, panels consider a domain name holder’s failure

³ This is not an official name. I made it up to describe the actions of several panels. Inaction is not explicitly addressed in the UDRP; rather, panels have used their discretionary powers to develop the doctrine. The doctrine is a good example of panels using past admin decisions as “precedent.”

to use the domain name (for a web site or e-mail) as evidence of bad faith. What is the significance of this doctrine? Does it really indicate bad faith, or does it simply represent panels stretching to find bad faith in borderline cases? Analysis will uncover inconsistencies in the application of this doctrine, as well as some panels that question using the doctrine at all.

Cases Using the Inaction Doctrine

- Hewlett Packard Company v. Ruben Moreno, FA94372 (Apr. 28, 2000)([openview.net](#)); ABF Freight System, Inc. v. American Legal, WIPO D2000-0185 (May 9, 2000)([timekeeper.com](#))
 - Inactive website, yet bad faith because Respondent intentionally attempted to attract Internet users to its web site to create likelihood of confusion.
 - The arbiter-developed “inaction doctrine” at work.

- Do The Hustle LLC v. Donald Wilson, WIPO D2000-0627 (Aug. 18, 2000)([polyesters.com](#)); Teledesic LLC v. McDougal Design, WIPO D2000-0620 (Sep. 1, 2000)([internet-in-the-sky.org](#))
 - Application of the “inaction doctrine.” This doctrine is not explicitly outlined in the policy. Panels have used it to find bad faith when other factors are missing.

Cases Questioning or Limiting the Inaction Doctrine

- Cyro Industries v. Contemporary Design, WIPO D2000-0336 (Jun. 19, 2000)([acrylite.com](#)); Sporoptic Pouilloux S.A. v. William H. Wilson, WIPO D2000-0265 (Jun. 16, 2000)([buyvuarnetsunglasses.com](#))
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IV. Conclusion

