

## THE UDRP: A STUNNING SUCCESS OR A SPECTACULAR FAILURE?

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*The Internet is increasingly becoming a public marketplace. The increase in Internet usage has been remarkable. However, in order to be accessible to the Internet world, it is a prerequisite that the user be issued with an Internet Protocol (IP) address. The issuance of IP numbers is a relatively straightforward and non-problematic task. However, as the number of Internet users has increased exponentially, pressure has grown for a more memorable means of identification. Subsequently, in 1987, the system of domain names came into effect and the difficulty involved in locating a computer's numeric IP address was somewhat alleviated.*

### A INTRODUCTION

In the early days of the Internet, each computer on the network was identified by a unique, numerical string called an Internet Protocol (IP) address. However, since an IP address is in numerical form, it is neither very user-friendly nor geographically descriptive. Consequently, the Domain Name System (DNS) was established and developed with the express intention of imposing a hierarchical naming system that would be more user-friendly than the unsystematic assignment of IP addresses. Each domain name address corresponds to exactly one IP address.<sup>1</sup>

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 contention and debate in recent times. As this paper will go on to illustrate, a large number of articles and commentaries have been written on the subject and some legal experts have discussed it at great length. The most vociferous and critical of which have been, for example, Dr. Michael Geist<sup>2</sup> and Professor Milton Mueller,<sup>3</sup> who are of the opinion that the UDRP is inherently biased in favour of trademark holders.

Consequently, this paper endeavours to briefly define and explain the concept of domain names. Following will be an analysis of pertinent articles relating to the UDRP and its implications. This paper's principle objectives are to examine the evolution of the UDRP, to evaluate the appropriateness of its uses and to consider its future.

### B WHAT ARE DOMAIN NAMES?

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<sup>1</sup> Harte, A. A. "The Domain Name Debate" (2001) *Technology and Entertainment Law Journal*-Vol.2, No.1, p.2.

<sup>2</sup> Geist, 'Fair.com? An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP', August 2001 [available online] at: <http://aix1.uottawa.ca/~geist/geistudrp.pdf>.

<sup>3</sup> Mueller, 'Rough Justice: An Analysis of ICANN's Dispute Resolution Policy' [available online] at: <http://www.dcc.syr.edu/roughjustice.htm>.

Dr. Jon Postel and a group of scientists at the Institute developed the Domain Name System for Scientific Information (ISI).<sup>4</sup> In essence, the domain name system is a form of private trademark registration system.<sup>5</sup> Domain names aid and abet a user's ability to navigate the Internet. They are currently the primary means of identification in cyberspace.<sup>6</sup> The introduction of the DNS was therefore, an important milestone in the history of the Internet.<sup>7</sup>

However, whilst the supply of IP numbers is relatively plentiful, words however are in rather scant supply.<sup>8</sup> Moreover, while the domain name structure offers a wide range of categories based both on national origin and nature of activity, the issue of allocation of, and rights to, particular domain names still remains one of the most challenging aspects of the Internet and its regulation.<sup>9</sup> The DNS can be subdivided into two broad categories – generic codes and country codes.<sup>10</sup>

Interestingly, the DNS was implemented with a primary addressing function in mind, namely to facilitate the identification and accessibility of computer systems on the Internet.<sup>11</sup> However, the tremendous communicative potential of domain names did not go unnoticed by traders and commercial enterprises.<sup>12</sup> Not surprisingly, frenetic scrambles ensued among commercial enterprises, who sought to exploit this new medium of communication. Most of these disputes related to whether an existing trademark holder had a superior claim to use a word or phrase in a URL over a domain name registrant.

### C DOMAIN NAMES AND THE UDRP

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<sup>4</sup> *Computer Law*, edited by Chris Reed and John Angel, Oxford University Press, 2003, p. 23.

<sup>5</sup> Thorne, C. and Bennett, S., 'Domain Names-Internet Warehousing: Has Protection of Well-Known Names on the Internet Gone Too Far?' [1998] EIPR 468.

<sup>6</sup> William Gibson is credited for first coining the term "cyberspace" in his science fiction novel *Neuromancer*. It refers to the information highway and the networked environments in which digital information travels. See Johnston, J., Handa, S., and Morgan, C. *CyberLaw: 'What you need to know about doing business online'*, (Stoddart, 1997) p.10.

<sup>7</sup> People who register domain names do so with the hope that anyone in the worldwide network will be able to reach them. See Micheal Froomkin, 'Wrong turn in Cpyberspace: Using ICANN to route round the APA and the Constitution' [available online at <http://personal.law.miami.edu/~froomkin/articles/icann.pdf>] p 31.

<sup>8</sup> *ibid* at p 30. Whatever the application, a domain name that cannot be resolved into an IP number by the vast majority of users is of very limited value on the Internet. Registries thus need to be listed in the root or they (and all the domains they list) become effectively invisible. Such a domain name "scarcity" was deliberately created after the trademark lobby had reacted strongly against a proposal by Dr. Jon Postel that would have allowed for many more domains.

<sup>9</sup> Lloyd, J. I. *Information Technology Law* 3rd edn (London, Butterworths 2000) p.22.

<sup>10</sup> The former category includes for example, .com; .net; and .org. Such names carry no indication of country of origin. The latter category of domain names, however, generally consists of a two-letter denominator for every country in the world. The Republic of Ireland, for example, is referred to as .ie.

<sup>11</sup> Eugene Lim, 'The clash between trade mark law and freedom of speech in cyberspace: Does ICANN's UDRP strike the right balance?' [available online] at: <http://wwwlib.umi.com/>.

<sup>12</sup> *ibid*. Traders began to realise that domain names, when used to denote a company's web presence, could function as an extremely powerful marketing tool.

Such disputes have been exacerbated because the application process for a domain name is relatively simple. A domain name will be granted to an applicant on a “first come first served” basis, provided there is not an existing domain name registration for the same name.<sup>13</sup> An individual can, therefore, register a domain name despite the fact that the name applied for holds little or no association with the applicant. Such simplicity in registering domain names also gave the autonomy for unscrupulous, opportunistic third parties (‘cybersquatters’) to register well-known names or trade marks, with which they bear no connection but in so doing, precluded the real owner of the goodwill in that name or trademark from registering that domain name.<sup>14</sup> Cybersquatters, therefore, are people who buy up desirable names and then essentially hold them hostage and only relinquish them to the highest bidder.<sup>15</sup>

It was against this background of domain name scarcity and the potential threat of dilution to large organisation’s trademarks that cybersquatters posed, that on December 1st 1999, ICANN implemented the UDRP on the recommendation of the World Intellectual Property Organisation (WIPO). The UDRP contains rules for a special disputes resolution procedure for abusive .com domain name registrations.<sup>16</sup> The UDRP has been in force since January 1st 2000, and all registrars of .com domain names have accepted the UDRP prior to their appointments. While it is not the intention of this paper to give a historical and a procedural account of the UDRP, nevertheless a brief synopsis of the UDRP’s workings will follow because it is exactly these workings which have marred the process in controversy.

#### **D OUTLINE OF THE UDRP**

The UDRP applies only to evident cases of abusive domain name registrations.<sup>17</sup> This would encompass, for example, the registration, without a right of one’s own or without a legitimate interest, of a domain name that coincides with a commonly known trademark, primarily with a view to selling it for profit either to the trademark holder or to a third party, to inflict damage on a trade mark’s reputation or to profit from that reputation for one’s own purposes. The UDRP also has retrospective application and hence is applicable to all domain names registered prior to its commencement date.<sup>18</sup>

The UDRP is divided into two parts: the Policy itself and the Rules. The Policy contains the grounds for filing a complaint, the defences that may be availed of and the decisions that can be taken by the arbitrators/panellists. The Policy is directed at the parties, whereas the Rules, which concern the

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<sup>13</sup> Thorne, C. and Bennett, S., *op. cit.* 5 p.468.

<sup>14</sup> Robert O’Shea ‘Electronic Commerce: Some Intellectual Property Issues’ (2000) Vol.1 No.1 TELJ p.15.

<sup>15</sup> Harte, A. A. *op. cit.* 1. p.2.

<sup>16</sup> The text can be found on ICANN’s website at [www.icann.org/udrp](http://www.icann.org/udrp).

<sup>17</sup> The scope of the UDRP is limited in so much as it is only available in respect of deliberate, bad faith, abusive domain name registrations or “cybersquatting” and it is not applicable to disputes involving parties with competing rights acting in good faith.

<sup>18</sup> Wolter Wefers Bettink, ‘Domain Name Dispute Resolution under the UDRP: The First Two Years’ [2002] EIPR p.244.

formalities and procedural provisions to be adhered to, are directed at both the parties and at the organisations which provide the dispute resolution services.<sup>19</sup> These dispute resolution providers must then themselves establish a third set of rules (Supplemental Rules), which contain the procedural details for that particular organisation. Regarding remedies available, the UDRP allows for the transfer, cancellation or modification of the domain name registration.

### **E BENEFITS OF THE UDRP**

For any firm, be it a large multinational or a small indigenous organisation, undertaking trademark litigation can be an expensive, slow and often cumbersome process; with rigorous standards of proof in regard to local jurisdiction. The UDRP, however, provides a benefit to trade mark holders and domain holders, particularly in foreign countries, who wish to assert their rights to domain names registered in the US or through accredited registrars in other countries.<sup>20</sup> It is no surprise then, that a registered trademark or service mark is the classical right of providing protection under the UDRP. Moreover, it does not tend to matter in what country the trade mark is registered. Any trademark registered in a national or an international patent office applies to the UDRP.<sup>21</sup> As will be discussed later, panels have also accepted “common law trademark rights” as a basis for bringing proceedings under the UDRP.<sup>22</sup>

In promoting their benefits over litigation, these organisations say that their benefits include: being faster, less expensive, more flexible and less formal, together with the fact that the arbitration process is specifically designed to be fair and neutral to both parties. Theoretically speaking, this certainly seems to be the case, as any person or entity can initiate a UDRP proceeding by submitting their complaint via an e-mail or in handwritten form to any approved ICANN provider. Representation of the complainant through an admitted or certified lawyer is not obligatory.

Complainants can be assured greater efficiency and a much more competitive environment because ICANN has permitted several arbitration providers. Parties are not required to appear at the provider’s forums physically, thereby alleviating the complainant of time constraints, travel expenses and other general logistical difficulties. One of the best advantages is the speed and simplicity of the whole process, which has been greatly accelerated by the restricted evidence, the virtual absence of in-person hearings, and the absence of an appeal. In addition to the already mentioned benefits, it is worth noting that under the UDRP, trademark owners are no longer able to place a hold on domain names during any dispute process.

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<sup>19</sup> Four organisations are currently recognised by ICANN: WIPO, National Arbitration Forum (NAF), Institute for Resolution (CPR) and the Asian Domain Name Dispute Resolution Centre (ADNDRC). eResolution was also recognised but it has since gone bankrupt.

<sup>20</sup> Anri Engel ‘International Domain Name Disputes: Rules and Practice of the UDRP’ [2003] EIPR p.355.

<sup>21</sup> *ibid.* p 357.

<sup>22</sup> *Grober.com* (NAF 94960), *48hours.com* (WIPO D2000-0379).

Moreover, unless the domain name is being held in bad faith, the trademark owner cannot invoke the UDRP proceedings.

Additional incentives include the low cost of the panels,<sup>23</sup> and the easy enforcement of its decisions through the approved provider. Significantly, the claimant no longer needs to undertake the extremely arduous task of pursuing a cybersquatter who could be located on the other side of the world. Moreover, in the absence of exceptional circumstances, the panel issues its decision within two weeks of its appointment.<sup>24</sup> In theory at least, it is therefore possible to conclude a typical UDRP case between forty-seven and fifty-seven days (this timeframe can be even shorter depending on a single or three-member panel) and a further ten days more until the domain name in question is either cancelled or transferred.

## F SO WHAT'S ALL THE FUSS ABOUT?

This is where Dr. Michael Geist and Professor Milton Mueller come to the fore. Various commentators have highlighted numerous imperfections and incongruities within the UDRP.<sup>25</sup> This paper will now highlight what the critics feel are the three general, but most important issues, that merit investigation in order to draw some conclusions as to either the stunning success or the spectacular failure of the UDRP.

### 1 “The right of complainants to pick which arbitration provider handles their dispute has been the target of particularly vociferous criticism.”<sup>26</sup>

This, Geist argues, is because complainants could and would engage in “forum shopping” by rationally selecting the arbitration provider who is most likely to rule in their favour. For example, Geist believes it is no coincidence that the two ICANN providers with the most favourable outcomes for complainants were WIPO and NAF (with the former resulting with a favourable outcome for the complainant 82.2% of the time and 82.9% with the latter). Geist analogises these two to the now defunct eResolution, which was the least complainant-friendly (with complainants winning only 63.4% of the time).<sup>27</sup> As a direct corollary then, since outcome matters most to complainants, not surprisingly, they have rewarded WIPO and NAF with an overwhelming majority of the UDRP caseload (58% and 34% respectively) and only 7% for eResolution.

<sup>23</sup> An average of US\$1,000 for one panellist and US\$3,000 for three panellists.

<sup>24</sup> UDRP Rules s.15 (b) Note: no decision will be made if the parties agree in advance to a settlement or it becomes unnecessary or impossible to continue the proceeding. Immediately after issuing the decision, the provider forwards the decision to the parties, the registrar and ICANN within three working days. In addition, the information will be immediately published on the provider’s website (UDRP Rules s. 16 (a) & 16 (b)).

<sup>25</sup> For example, some feel the remedies available are insufficient and don’t act as a strong enough deterrent; others question the lack of a right to appeal; and the non-granting of compensation or punitive damages; while free speech activists feel the UDRP has not been as sensitive to the values of free speech as it should be. See J. Rossa McMahon’s “Falwell v. Cohn: A Victory for Expressive Freedom in the UDRP” (2002) C.L.P. at 154.

<sup>26</sup> Geist, ‘Fair.com?: An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP’, p.3 [Available online] at: <http://aix1.uottawa.ca/~geist/geistudrp.pdf>.

<sup>27</sup> *ibid.* at 6.

## **2 Another possible concern is that of potential prejudice due to the levels of discretion allotted to the resolution providers.**

Engel<sup>28</sup> highlights this point well. For example, it is common practice for the complainant and the respondent to only be allowed submit a plea once. Consequently an onus is on both parties to be meticulously specific in their claims.

However, of the various resolution providers available, only NAF has implemented a right for any party to submit additional written statements and documents to the forum and the opposing party (or parties) within five calendar days of the respondent's response, following a payment of \$250. Geist,<sup>29</sup> in 'Fair.com' extenuates even more on this point and argues marketing techniques clearly illustrate one area of differentiation between providers. NAF, he argues, adopt a much more aggressive approach than the other providers in the way it markets its services. Contrary to eResolution for example, NAF frequently distributes press releases heralding recent (and often very pro-complainant) decisions.

## **3 Another significant issue of contention according to the critics is that of the filing and timing of a response.**

The UDRP Rules stipulate that the respondent has to file a response within twenty days of the date at which the proceedings commenced.<sup>30</sup> This is important because, generally speaking, failure to submit a proper response within the relevant time period can be treated as a default by the respondent and result in devastating consequences. As Professor Mueller states in his article:

The most noteworthy statistical feature of the UDRP is the number of respondent defaults. A default occurs when a defendant in a domain name dispute fails to file any response to the complaint within the two week time limit.<sup>31</sup>

Default cases then, are almost exclusively decided on the basis of the complainant's assertions, and without any contribution or input on the respondent's behalf. From the 3,362 cases decided in the Mueller study, 52% amounted to defaults.<sup>32</sup> If these statistics are trustworthy then the default rate is increasing over time. This is critical because it raises issues about the

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<sup>28</sup> Engel *op. cit.*, p. 355.

<sup>29</sup> Geist *op. cit.*, at p. 4.

<sup>30</sup> Engel, *op. cit.*, at p. 355: In some cases the respondent will have even less than 20 days for responding because the date of commencement can be prior to the actual receipt of the complaint. Such a draconian position can result in unfair difficulties for the respondent, especially if they require regular legal advice from a specialised lawyer and while the UDRP does acknowledge this difficulty, it is only in some cases that the respondent will be granted extra time for filing a response (UDRP Rules s.5 (d)).

<sup>31</sup> Milton Mueller, *op. cit.*, at 14.

<sup>32</sup> This is not too estranged from Geist, who found a default rate of 54% from 3,094 cases.

integrity and consistency of the process. According to Mueller's study, complainants win 96% of the cases when the respondent defaults.<sup>33</sup>

### G THE ABOVE CRITICISMS: AN IMPLAUSIBLE MYTH OR A PLAUSIBLE REALITY?

The Geist and Mueller analyses were heavily criticised and rebutted, particularly by the International Trademark Association (INTA).<sup>34</sup> The INTA argue that in both of Geist's articles, he did not consider, in the winning percentage, the fact that in a lot of single cases, the respondent was in default and did not file a proper response. Moreover, they argue that Geist's conclusions are based on the unlikely assumption that three-member panels will decide more favourably than one-member panels. Critics of Geist are also very quick to argue that apart from the more statistically based disputes; there are very few other critical points within the UDRP. A central feature of Ned Branthover's paper is that statistics alone cannot prove bias without some evaluation of the relative merits of the UDRP cases.<sup>35</sup> However, it is the opinion of this author that such statistics should not be so easily dismissed.<sup>36</sup> Admittedly statistics can be misleading but this is no reason to not include them or to automatically assume them to be erroneous. Even allowing for some distortion, (on what is a very comprehensive figure) namely single panel cases constitute over 90% of the total caseload and across all providers complainants win 83% of the time, the author finds it hard to be convinced by attempts to regard them as totally false and incapable of standing up to scrutiny.

A much more conceivable argument is that forwarded by Donahey. He points out that it is not the fact that providers select solo panellists that lead to decisions in favour of complainants; rather, it is the fact that vastly more default cases arise in the single-panellist context.<sup>37</sup> Therefore, the discerning feature of relevance is not who selected the panellists, but whether the cases were contested cases or default cases.<sup>38</sup> Another argument forwarded by

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<sup>33</sup> *supra* n 31, p. 15. In cases brought before NAF a default is virtually an automatic win for the complainant. By way of contrast, Mueller states how it was a prerequisite for complainants (and therefore very off-putting) under eResolution to meet their burden of proof even when respondent's defaulted. Respondents won cases that they defaulted a remarkable 22% of the time.

<sup>34</sup> INTA Internet Committee: "The UDRP by All Accounts Works Effectively. Rebuttal to Analysis and Conclusions of Professor Michael Geist in 'Fair.com?' and 'Fundamentally Fair.com?'" <http://www.inta.org/downloads/tap-udrp-2paper2002.pdf>. and Ned Branthover, (INTA Committee): "UDRP-A Success Story: A Rebuttal to the Analysis and Conclusions of Professor Milton Mueller in 'Rough Justice'", <http://www.inta.org/downloads/tap-udrp-2paper2002.pdf>.

<sup>35</sup> Branthover *op. cit.*, 6.

<sup>36</sup> Single panel cases constitute over 90% of the total UDRP caseload, while three-member panels compromise the remaining 10%. Across all providers, complainants win a staggering 83% of the time where only a single panellist determines the outcome, compared with 60% when a three-member panel is responsible for the decision: "Fair.com", p.18.

<sup>37</sup> M. Scott Donahey, "The UDRP: Fundamentally Fair but Far from Perfect" p.3. Of the 292 three-person panel cases in the study, seventy went by default. Of those seventy, sixty-nine, or 98.6%, were won by the complainant. From the remaining 222 three-person panel cases which were contested, the complainant's percentage rate dropped to 45%.

<sup>38</sup> *ibid.*

Branthover is that to draw conclusions, to determine the stability of the DNS, when the UDRP has only been in operation for such a short period of time, is futile.<sup>39</sup> This is a weak argument because as Professor Mueller quite rightly points out, UDRP decisions (of which there are plenty) commonly cite other UDRP decisions (more than half of the time). Moreover, the majority rely extensively on precedent; this is especially true of the disputing parties who frequently cite decisions in other cases as precedent or justification for their arguments.<sup>40</sup>

The author does however question Professor Geist's presumption that the small percentage of UDRP cases that eResolution was able to attract was due to the fact that its complainant win percentage was the lowest of the various resolution providers. The INTA, for example, quite rightly highlighted the rational and plausible argument that complainants may be inclined to select a particular provider for multiple reasons.<sup>41</sup> Moreover, the fact that eResolution has initiated bankruptcy proceedings could be down to poor internal workings as opposed to it falling a victim to forum shopping. Donahey also highlights an interesting point; namely, what is of interest concerning the eResolution percentages, is not the lower percentage of complainant successes, but rather the significantly higher percentage of cases that are contested by the respondent.<sup>42</sup>

## H COMMON LAW TRADEMARKS?

The last section of this paper will briefly focus on the issue of common law trademarks, and the defaulting of innocents and what implications (if any) they are likely to have under the UDRP. The legal remedies most frequently relied upon in domain name disputes are the actions for trademark infringement and passing off.<sup>43</sup> In order to be successful, the complainant must first of all show it has a trademark right.<sup>44</sup> In the US and the UK for example, common law trade marks are acquired through the use of a trademark (be it registered or unregistered), provided it is over a considerable period of time. Therefore, if a product is sold under a specific brand name,

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<sup>39</sup> Branthover *op. cit.*, p 8.

<sup>40</sup> Professor Milton Mueller, *op. cit.*, at p. 19. This Mueller argues, could be significant because the precedents being established could evolve into a global trademark law for cyberspace.

<sup>41</sup> INTA *op. cit.* at p. 7. For instance, in comparison to eResolution – both WIPO and NAF have been around for much longer, and consequently have established a reputation for efficiency, competitiveness and reliability. In addition, WIPO has arbitrators from all over the world and such an international perspective may strongly appeal to complainants.

<sup>42</sup> Donahey, *op. cit.* at p. 3. Donahey argues that it could be the ease of filing a response through the eResolution system (perhaps the ability to file a response online, as opposed to the completion of forms, which is not possible through any of the other providers) that encourages more participation by the respondents.

<sup>43</sup> Maeve McDonagh & Louise Crowley, *Ireland: International Encyclopaedia of Laws – Cyberlaw* (Kluwer, The Hague, 2005) p.98.

<sup>44</sup> Note: the UDRP was only designated to deal with a very narrow category case of cybersquatting. It was never intended to be a substitute for trademark infringement. Such is the incongruity that the UDRP does not even define when a domain name will confusingly similar to a trademark. This is paradoxical considering 'confusing similarity' is the most commonly applied ground in justifying the transfer of domain names to complainants. The UDRP is also not intended for disputes between parties each of whom may have legitimate claims to the domain name.



common law trademark rights have been created. However, common law trademark rights are confined to the local area in which the brand name is used. While this can be a difficult action to prove for the complainant, it is a worthy process since many cases have been won on this point.<sup>45</sup>

From an Irish perspective, a case to note is *ESAT Digifone Ltd v. Colin Hayes*<sup>46</sup> where ESAT had not registered their name and had only a device mark in respect of 'Digifone Business Advantage' and pending trademark applications in respect of other marks. Nevertheless, the panel ruled in the complainant's favour satisfied they had a common law trademark in the name 'Digifone.'<sup>47</sup> The panel in their ruling looked at *Coca-Cola v. F. Cade & Sons Limited*<sup>48</sup> where the Irish Supreme Court applied the test established by Parker J. in *Pianotist Co's Application*.<sup>49</sup> A difficulty in this case outlined by Murray, is that the respondent failed to appear and thus was unable to question the legality of common law trademarks. Murray fears this finding is repugnant to Section 7 of the Trade Marks Act 1996 and consequently the proprietors of companies like ESAT in this case, who spend copious sums of money on advertising, might be tempted to take full advantage of this relief, as opposed to the more cumbersome and expensive route of suing for passing off.<sup>50</sup>

## I DEFAULTING INNOCENTS

Despite the various criticisms directed at Mueller's article, he has highlighted what is a worrying and increasing quandary with the UDRP, namely: a large number of defaults seem to be cases where the complainants (typically large well resourced and powerful organisations) are going after desirable names irrespective of whether any abuse is involved, and regardless of whether the respondents have a legitimate claim to the disputed name.<sup>51</sup> Mueller estimates that there are hundreds of cases like this, and that as much as a quarter of all defaults appear to be cases where there is no substantial evidence of bad faith registration, other than the respondent's failure to respond.<sup>52</sup> In short, the UDRP has made it too easy to mount challenges to domain name registrations for all the wrong reasons. A determined complainant knows they have a chance of claiming the domain name away from a rightful owner under the UDRP with no deterrent other than a small

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<sup>45</sup> Engel *op. cit.* at p. 357 for example highlights the case of the *State of the Netherlands v. Goldnames Inc* 2001 WIPO D2001-0520 where the complainant alleged a common law mark *Staten-Generaal*, even though in the Netherlands, no common law trade mark exists. However, the panel held that the complainant's mark *Staten-Generaal* (i.e. States General) as representing the Dutch state and is reasonably well known throughout the world, as well as within the Netherlands and that this might be viewed as having legally protectable rights in the name.

<sup>46</sup> Case No. D2000-0600 August 1, 2000.

<sup>47</sup> Karen Murray, 'Arbitrating Cybersquatting Disputes' (2000) TELJ, p.9.

<sup>48</sup> *Coca-Cola v. F. Cade & Sons Limited* [1957] I.R. 196.

<sup>49</sup> (1906) 23 R.P.C. 774 at p. 777.

<sup>50</sup> *supra* n.44.

<sup>51</sup> Professor Milton Mueller, *op. cit.* at p. 17. A prime example according to Mueller is *Hewlett-Packard Company v. Full System*, FA 94637 (Nat. Arb. Forum May 2000), where the Italian respondents lost the case simply because they did not respond even though there was no evidence of them attempting to sell the name or to use it in a legitimate manner.

<sup>52</sup> *ibid.*

pecuniary detriment.<sup>53</sup> There is no penalty or fine other than the arbitration cost.<sup>54</sup>

## J CONCLUSION

Professor Milton Mueller quite rightly points out that so long as domain names are visible to the public and semantically meaningful there will continue to be a need for dispute resolution.<sup>55</sup> This author feels that some of the criticism directed at the UDRP might be unduly harsh because, for those who agree that cybersquatting is illegal and that it necessitates redress, they should be reasonably happy with the effective procedure of the UDRP in solving these problems.

However, while no single policy is ever likely to address the full scope of the problems created, certain provisions of the UDRP still leave a lot to be desired. It is admittedly clear that simply bemoaning the UDRP would be disingenuous and do it no justice. Therefore, it is not the intention of this paper to undermine the significance of the UDRP and the aims of its innovators. The author is more than aware that the UDRP represents a valiant effort to bring nations and the law into line regarding domain name disputes.

However, the writer opines that further redress of the numerous criticisms mentioned in this paper, are neither unrealistic, irrational nor unachievable, and while the UDRP is unequivocally well-intentioned, the incumbent system leaves much to be desired. Calls for reform of the UDRP have been voiced since its inception. Fortunately however, the UDRP is by no means incorrigible, and consequently if some of the improvements suggested by various commentators are taken onboard and implemented<sup>56</sup> this author sees no reason why the UDRP could not be seen as something that should be proactively encouraged as opposed to unjustifiably discouraged. It remains to be seen if any of the proposed improvements will be implemented.

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<sup>53</sup> Even if this fails they can always go to court because the UDRP ruling does not have any binding effect and the decisions issued will not in any way prejudice the outcome of any subsequent court proceedings.

<sup>54</sup> Unfortunately, a similar situation exists with regard to 'reverse domain name hijacking', where the only consequence a complainant has to fear is the panel's declaration that "the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding. See generally Dr. Eberhard Rhein, 'Reverse Domain Name Hijacking: Analysis and Suggestions' (2001) EIPR 557. Rhein makes good suggestions to help prevent these problems, for example the imposition of fees to act as ("bail" or "bonds" before instigating proceedings could act as a deterrent. However, a simpler deterrent is forfeiture: the use of the UDRP in bad faith might result in a loss of the right to use the UDRP for future disputes-at least for some time, eg a year.

<sup>55</sup> Professor Milton Mueller, *op. cit.* at p. 27.

<sup>56</sup> No system is ever likely to fully address the needs of all concerns voiced, however applying some useful suggestions should go a long way to reducing these complaints. Geist for example makes the useful suggestion of mandatory three-member panels, greater transparency to ensure greater fairness and to instill a high level of confidence into the system. Geist also suggests introducing caseload minimums and maximums for each panellist. Obviously this would be difficult in theory but the author sees no reason why the caseload cannot at the very least be distributed more evenly.

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