

JURISPRUDENCE

of

domain names

(Commentaries on
ICANN's UDRP)

by

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Admitted: State and Federal Courts
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INTRODUCTION

Domain names and trademarks have in common a similarity of form in that both are composed of memorable lexical elements designed to awaken associations in the public's mind. In their virtual world some domain names achieve the same high recognition as trademarks and may even aspire to that distinction. Because trademarks already have a following in the real world they are exposed to predators intent on taking advantage of their reputations in the virtual one. Internet traffic harvested illicitly creates for the receiver a benefit at the expense of the trademark holder. As a result, trademark holders naturally look for a remedy to protect their statutory interests. Before the implementation of the Uniform Domain Name Resolution Policy their remedy would have been an expensive, uncertain and time consuming undertaking.

The Uniform Domain Name Resolution Policy, UDRP or the Policy for short, establishes an alternative forum for trademark holders (owners, co-owners and licensees) to challenge registrations of domain names that allegedly violate their legal rights. It is a niche forum implemented in 1999 by the Internet Corporation of Assigned Names and Numbers following an in-depth study and publication of recommendations by the World Intellectual Property Organization earlier that year. The WIPO Report addressed the impact on consumers and trademark holders of deceptive practices in connection with

registration of domain names and proposed the creation of an arbitral regime. These two organizations are commonly referred by their acronyms, ICANN and WIPO.

The UDRP forum is available to trademark holders without regard to the national source of their rights or the respondent's business or residential location. The procedure is authorized by contracts by and between ICANN and Registrars on the one hand and Registrars and Registrants on the other. Unusual for arbitration, there is no bilateral contract between the parties to the UDRP proceeding. On payment of a modest fee, an impartial and independent ICANN certified Provider will assign a single or three member panel (if requested by either party) to examine the facts and rule on the parties' respective rights to the disputed domain name.

The process for adjudicating UDRP claims is both vastly accelerated and significantly different from experience in a national court of law. It is different most conspicuously in that the claims are resolved solely on papers by applying a jurisprudence especially adapted to the issues the Policy is designed to resolve. The complainant in these proceedings is entitled to invoke the Policy and present its claim if it has a *present* trademark right. A present right includes unregistered trademarks. A prospective right, an application pending for example, does not support an actionable claim unless there is affirmative proof of unregistered use of the trademark sufficient in length and market penetration to be recognized by the public as a source of goods or services.

Acquiring domain names as assets – for selling, financing monetizing, trading and

warehousing – has been part of the culture of the Internet from the beginning. It is not condemned by the Policy unless the purpose of the registration is to take advantage of the trademark holder. Merchants in the domain business simply pitched their stalls in the new souk alongside the more traditional sellers of goods and services. Commencement of a proceeding to challenge the registration of the disputed domain name puts in issue the respondent's choice. Although a domain name identical or confusingly similar to a trademark calls for an explanation, fortuity cannot be ruled out. There can, in short, be multiple uses of names that on the classification of trademarks rank less protective owing to their generic or descriptive nature.

Just as trademark law recognizes that two parties can co-exist as concurrent users of the same lexical elements without interfering with the legal rights of the other, so too does the jurisprudence of the UDRP. So, for example, generic words and descriptive phrases are protected only to the extent of their public recognition as sources of a complainant's goods or services. Trademarks that over time have achieved a market reputation may or may not have a right superior to the respondent if they had no reputation at the time the disputed domain name was registered. Lacking proof that a respondent registered the domain name with the intention of taking advantage of the trademark common lexical and numerical elements are available to the first to register.

The jurisdiction of the Policy is limited to adjudicating conduct defined as “abusive registration” *as that term has come to be construed*. I italicize to make a point. A case can be made that domain name jurisprudence has broadened beyond the scope of the Policy as it was originally conceived to subsume into abusive registration acts of abusive conduct and practice. Even so, the jurisdiction of the UDRP is limited to domain names.

The UDRP proceeding is not a substitute for a trademark court – it was not created to adjudicate issues of trademark infringement or dilution, *as such*. This does not mean to say that trademark issues are absent in adjudicating domain name rights, but the focus is different. The UDRP’s mission is to determine whether the registrant has a right or legitimate interest in the disputed domain name or has registered it to take advantage of the complainant’s trademark. “Taking advantage” includes a variety of culpable acts within the pallet of bad faith. Where the complainant satisfies its burden of proof the Policy offers relief similar to that which it would receive in a court of law, namely control of the domain name, but not damages. Its great benefit is that the proceeding is over and done with in a fraction of the time and cost of a plenary action in a court of law.

Paragraph 4 of the Policy describes the arbitral procedure as a “mandatory administrative proceeding.” This should not be misunderstood to mean that the respondent is compelled to appear. Indeed, statistically respondents default 85% of the time. The term “mandatory” is used in the sense that respondents are “obliged by virtue of the [registration] agreement to recognize the validity of a proceeding initiated by a

third-party claimant.” Thus, while appearance is not “mandatory” default in answering a complaint has consequences, even though not as drastic as in a court of law. Nonetheless, failure to explain or submit exculpatory evidence is as much a part of the record as that which is offered and even though the burden of proof remains with the complainant throughout the proceeding, silence (metaphorically) speaks. This being said, a complainant is not entitled to relief simply because it has a trademark and a respondent does not suffer forfeit of the domain name simply because it defaults. It is not bad faith to speculatively register domain names for presumed future value even if they are found to be identical or confusingly similar to a complainant’s trademark, *as long as the domain names are not registered to take economic advantage of existing trademarks*. In the same vein, a holder of a future acquired trademark has no legal right to an earlier registered corresponding domain name regardless the use to which it is put.

The beneficiary of the Policy, though, and the reason for its existence is the trademark holder. It does not have to jump through hoops for redress of an alleged wrong. The Policy is not territorially restricted and service of process does not involve process servers. Any trademark holder complaining of abusive registration may initiate a proceeding against any respondent residing anywhere in the World. Assigned panelists are required to deliver decisions within two months of the initiation of proceedings. The Policy is a powerful tool for trademark holders, but it can also be a drawback in that there is no internal appeal from inadequately reasoned decisions. Recourse is to a national

court, which in the United States would be a claim in district court under the Anticybersquatting Consumer Protection Act (ACPA). This deficiency of appeal not only affects respondents who lose out. Unfortunately, parties with small means are discouraged by the expense of a plenary action to mount a de novo challenge to a UDRP decision.

Jurisprudence of Domain Names: Commentaries on ICANN's UDRP serves several ends. It gives an account of the Policy's formation and development and makes note of the "conversations" among panelists with respect to certain legal issues and their disagreements as to constructions that are said to conform or violate the intentions of the framers of the Policy. It answers the questions, What is the UDRP? And How does it work? It is an instructional manual for parties and attorneys engaged in the UDRP process. Parties should know what to expect and what is expected of them in arbitrating a domain name claim. It may come as a surprise to some, but much is expected of parties in a UDRP proceeding. Many – and this includes counsel – too often fail to understand what is required in prosecuting and defending a proceeding solely on papers initiated under the Policy and its Rules. This failure includes a lack of appreciation for the jurisprudence applied to the facts in a case. While the jurisprudence is narrow, it is not static. In this regard it shares a trait with the evolution of common law.

The UDRP proceeding may be “adjudication lite” as one appellate panel dismissively (or humorously) said, but it is not “law lite” and the evidentiary requirements should be taken seriously. Guidance on the subject of expectations and domain name jurisprudence is warranted because many parties undertake the proceedings without a true appreciation for the jurisprudence with the dismaying discovery that it is governed by a body of law and rules of procedure and evidence of which before hand they paid little or no attention and after hand wished they had.

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