A CRITICAL STUDY OF DOMAINNAME DISPUTES AND RESOLUTION

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Abstract : This article concerns and recommends several measures to enable ICANN to transform the UDRP into a more effective and uniform mechanism for resolving international disputes. By amending the UDRP to add specific examples of conduct that violates the policy, as well as examples of conduct that should be considered explicitly beyond its scope, the problem of inconsistent decisions should be addressed. In connection with this, the UDRP amendments should attempt to dispel any appearance of pro-corporate bias and should encourage fair use as a justification for registering and using trademarked domain names. Finally, conclude that the Internet community's interests will be best served if all country code registration authorities and non-ICANN accredited providers submit to either the UDRP or an identical dispute resolution policy, and suggest methods by which ICANN can support achieving this goal.

***IndexTerms* – Domain name, cybersquatting, Domain name system.**

I. INTRODUCTION

The Internet has evolved from a U.S. government research project into a prominent international communication medium over the past thirty-five years.[1] Throughout this evolution, the Domain Name System (DNS) has played a major role in increasing the popularity of the Internet by providing a "human friendly" Internet navigation method, thereby facilitating international trade and global knowledge exchange.[2] However, the rapid growth of the Internet and the development of the DNS have come with a price-a huge strain on an international system of trademark law ill-equipped to deal with cyber controversy. [3]

According to the opinion of the United States Court of Appeals for the Second Circuit, applying established trademark law in the Internet context is "something like trying to board a moving bus."[4] This problem is necessarily exacerbated in the international context where it is difficult to determine where the bus is located or whether the bus has a physical presence at all to continue the bus analogy. Disputes over domain naming rights that serve a source-identification function in cyberspace arise at the heart of this intersection between international trademark law and the Internet. In an attempt to reconcile the unique complexities presented by disputes over domain names, a host of vehicles have been developed that allow aggrieved parties to assert their rights.[5] Under the Uniform Domain Name Dispute Resolution Policy (UDRP) promulgated by the Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit organization that manages the DNS, [6] these remedies can be obtained with a few notable exceptions [7] in one of two forums-traditional litigation or private arbitration. [8]

The UDRP, the relatively fast[9] and cheap option,[10] has become the overwhelmingly preferred dispute resolution mechanism for the domain name.[11] However, the UDRP is an imperfect system despite its widespread use. Specifically, it provides arbitrators with too

1 The Internet has its roots in the Advanced Research Project Agency Network (ARPANET), a research network established in the early 1970s by the United States Depart- ment of Defense. ARPANET was linked to research networks of other governmental agencies in a "network of networks" that became known as the Internet. Id. The rapid growth of the Internet into a mass-market means of communication was set in motion in 1992, when the National Science Foundation (NSF) was given statutory authority to allow commercial activity on a national high-speed network.

2 WIPO Internet Domain Name Process, World Intellectual Property Organization, In its early form, the Internet required users to use Internet protocol (IP) addresses, a unique series of numbers corresponding to each individual computer's location, to navigate the network. White Paper, supra note 1, at 31,741. Under the DNS, IP addresses still serve as unique identifiers for each Internet computer, but the user merely types in an alphanumeric domain name, which is then translated by the network into the IP address corresponding to a given website or other specified location. Id.

3 The prefix "cyber" is derived from the term "Cyberspace," the origin of which is gener- ally credited to William Gibson, who used the term in his novel Neuromancer.

4 Bensusan Rest. Corp. v. King, 126 F.3d 25, 27 (2d Cir. 1997).

5 See infra Part II.B (discussing cases that do not fall under the jurisdiction of the Uni- form Domain Name Dispute Resolution Policy).

6 Litigation commonly occurs under the Anticybersquatting Consumer Protection Act, 15 U.S.C. ? 1125(d) (1994 & Supp. V 1999). See infra Part I.B.1.

7 Uniform Domain Name Dispute Resolution Policy, ICANN, at http://www.icann.org/ udrp/udrp-policy-24oct99.htm (last visited Sept. 28, 2001) (on file with the Duke Law Journal).

8 . Id. ICANN controls all IP address space allocation, protocol parameter assignment, DNS management, and root server system management functions

9 . In contrast to the mere handful of ACPA cases that have been filed, there were more than 7500 UDRP proceedings filed between December 1999 and September 2001.

10 . The typical UDRP filing costs less than $10,000, including the filing fee. Id.

11 UDRP decisions generally issue within two months of filing, much more quickly than decisions in traditional litigation. See David H. Bernstein, Litigating by Email with UDRP, N.Y.L.J., Aug. 21, 2000, at S3 ("[T]he electronic dispute resolution is remarkably fast, resulting in decisions in about 45 days."). 13. See infra Part II.B.

little guidance, a flaw that has resulted in inconsistent decisions on several key domain name usage issues, and related concerns that some decisions are biased towards corporate mark holders. [12]

II. OVERVIEW OF DOMAIN NAME DISPUTES AND REMEDIES

A. Typical Domain Name Disputes

There is an inherent conflict between the law of marks and the system of domain names. Two or more users of a mark may coexist legally under trademark law, but multiple users can not claim a single domain name in cyberspace.[13] Moreover, because the costs of complete investigation are prohibitively high, some domain name registries award domain names to the first applicant irrespective of whether the name contains the trademark of another, or whether the registrant has any rights in the word or phrase. As such, an individual or company with the prospect of beating a trademark holder to the punch can often register a domain name with any trademark or variation thereof. [14]

Because of this first-come, first-served registration scheme, it is sometimes used as a domain name by a party with no rights in a trademark belonging to another to sell competing products or services. Such behavior clearly causes confusion among consumers and falls squarely within infringement law prohibitions. Cases of this type have resolved to adhere to the Trade-Related Aspect of Intellectual Property Rights Agreement (TRIPS), which requires its members to grant an exclusive right to registered trademark owners against unauthorized use by third parties "where such use is likely to result in confusion."[15]

However, registration and use of domain names give rise to a host of other legal controversies, many of which do not fit so neatly into the analysis of traditional marks. The spectrum of domain name disputes covers behavior ranging from conflicts between multiple holders of identical marks;' pure speculation,' registration of untraded popular words as domain names to resell them for profit; and' cybersquatting,' the practice of registering domain names containing trademarks owned by other parties to extract a ransom.

1. Disputes Involving Multiple Trademark Holders.

Dispute arise when more than one party has trademark rights in the same word or phrase, and questions who may control domain names incorporating the trademarked term.

2. Domain Name Speculation-"Pure" Speculation Versus cybersquatting.

A more common source of domain name disputes the practice of speculating on domain names by storing registrations in anticipation of locating buyers willing to pay heavily in the cost of registration. Speculation can be a very profitable enterprise because desirable domain is scarce resources. Speculating in domain names for the purpose of selling them to other parties is not inherently illegal, as long as the action of the registrant is purely speculative. That is, the domain name traction and use must not create a likelihood of confusion with the existing trademark of another party.

However, if the domain name in question contains the trademark of another party, speculation collides with the objectives of the trademark system by allowing the registrant to profit from the goodwill associated with such marks.[16] This situation in which one party intends to register the trademark of another party as a domain name in order to force the trademark holder to pay a ransom in order to obtain the name is commonly termed "cybersquatting"[17] and is illegal in the United States[18] and many other nations.[19]

B. Judicial Remedies in Domain Name Disputes

1. The United States Anticybersquatting Consumer Act (ACPA).

Three phases have passed the domain name law. In the first phase, the courts applied existing law, especially mark law, to deal with what they saw as the unscrupulous behavior of "cybersquatters"-speculators who registered domain names containing others ' trademarks with the hope of profiting by selling the domain names to the trademark owners. The courts interpreted and applied the "Anti-Cybersquatting Consumer Protection Act," which became law in 1999, in the second phase. This Act increased protection from domain name speculators for trademark owners. Most claims were settled in the third phase under the Uniform Dispute Resolution Policy ("UDRP"), which must be accepted by all registrants of domain names".com,"".net," and ".org." In 1999, trademark holders were granted special statutory protection against cybersquatting with the main purpose of the enactment States

12 . See infra Part II.A.

13 As an illustration, at least fourteen different companies, in addition to Apple Computer, have federally registered "Apple" as a trademark with the United States Patent and Trademark Office.

14 For example, in 1994 a journalist not only registered mcdonalds.com, but also assigned the user name "ronald," thus creating ronald@mcdonalds.com. The registrant later gave up the name without a court battle when McDonald's agreed to donate several thousand dollars to a local school.

15 Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 16(1), 33 I.L.M. 1197, 1203 [hereinafter TRIPS].

16 16 REP. NO. 106-140, at 4 (1999).

17 Cybersquatting has been a major issue in the United States since the birth of the Internet in its modern form.

18 18 U.S.C. ? 1125(d) (1994 & Supp. V 1999).

19 See infra Part I.B.2. 36. See supra note 31 and accompanying text.

Anticybersquatting Consumer Protection ACPA is to protect consumers who prohibit bad faith and abusive registration as Internet domain names with the intention of profit associated with such marks. [20]
Although previous cases had been decided in the U.S. federal courts on dilution grounds,[21] due to perceived inadequacies in the use of dilution law to address the issue,[22] the ACPA was considered necessary. Specifically, Congress viewed as "expensive and uncertain" the legal remedies available to victims of cybersquatting under dilution or traditional infringement law. [23]The remedy section of the Lanham Act was correspondingly amended to provide trademark holders with a strong weapon against cybersquatters, up to $100,000 in statutory damages per domain. Although courts outside the United States have also addressed the issue of cybersquatting to some extent, there is no doubt that the ACPA is the most specific and widely applicable legal remedy available. The ACPA in rem provision provides that a trademark holder may proceed in rem against any domain name in the judicial district where the domain name registry is located. [24] Because in rem jurisdiction conferred on the domain name itself rather than on an individual, this applies irrespective of whether the participants are resident countries or whether they have minimal contacts with forum.

2. Limitations of Judicial Remedies.

While the U.S. ACPA and other means of national law have been successfully applied to prevent cybersquatting, there are serious limitations to such remedies. First, remedies vary between nations,[25] an issue that raises forum shopping's intertwined problems and unfair application of the laws. Second, existing legal remedies involve traditional litigation, a dispute resolution mechanism that can be very burdensome for all involved parties, thereby discouraging some legitimate claims from filing. As noted in 1999 by the World Intellectual Property organization (WIPO), a pure litigation system can make trademark holders more cost-effective in submitting to the demands of a cybersquatter than in navigating the legal system. [26]As such, an internationally consistent set of rules is needed to provide all Internet users with efficient and impartial needs.

C. The Arbitration Remedy:

The UDRP in response to concerns about legal remedies and the conflict between territorial trademark systems and the "global dimension" of domain name disputes, the World Intellectual Property Organization (WIPO) accepted a proposal from the United States in June 1998 to de-velop recommendations for a consistent international approach.[27] In a year's time, WIPO published a report concluding that ICANN should establish a uniform administrative procedure to resolve disputes over generic top-level domain (gTLD) registration.[28] In its Uniform Domain Name Dispute Resolution Policy (UDRP), ICANN implemented most of the WIPO recommendations. The UDRP is a significant departure from traditional international trademark law. International trademark issues customarily have been addressed through complex and time-consuming negotiations that result in multinational treaties.[29]
Some suggest that an Internet common law must emerge as a radically new system of control, while others maintain the diametrically opposite view that traditional legal principles can and should be the exclusive means to protect and monitor the Internet. [30] The UDRP has emerged as a hybrid system in this complex and sometimes contradictory setting,[31] applying what is essentially established domestic trademark law, but administering it through organizations whose directors are selected partially through the principles of Internet common law. [32]The UDRP, which entered into force on 24 October 1999, is a set of contractual provisions incorporated in the registration agreement by reference It requires domain registrants to submit to mandatory arbitration if, in the future party, the domain name claims to be "identical or confusing to a trademark or service mark in which the complainant has no" rights or legitimate interest "in the name and the registrant has acted in bad faith.[33] If a complainant files a complaint with an approved dispute resolution provider asserting that a domain name meets these requirements, the registrant must submit to a mandatory arbitration proceeding that will mine whether the domain name will be transferred to the complainant.[34]

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20 20 See. REP. NO. 106-140, at 4 (1999).

21 See, e.g., Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1324-27 (9th Cir. 1998) (ap- plying dilution law against an alleged infringer)

22 H.R. REP. NO. 106-412, at 6 (1999).

23 id

24 24 15 U.S.C. ? 1125(d)(2)(A) (1994 & Supp. V 1999)

25 See supra part I-B,1-2

26 26 See WIPO Internet Domain Name Process, supra note 2, para. 132(i) (global nature of the Internet raises a variety of complications for aggrieved trademark owners

27 id

28 Id. para. xii. ICANN-controlled gTLDs include .com

29 See, e.g., TRIPS, supra note 18 (providing international minimum standards for trade- mark protection); Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted June 27, 1989, WIPO Pub. No. 204(E) (international standards for registration).

30 . See Frank H. Easterbrook, Cyberspace and the Law of the Horse, 1996 U. CHI. LEGAL F. 207, 208 (1996) (conluding that it is best to develop a sound law of intellectual property and then apply it to computer networks). This view necessarily assumes that traditional international and local law principles can be applied quickly enough to have a timely impact on the rapidly changing world of the Internet.

31 . See supra note 8 (detailing the selection process for ICANN's board of directors.

32 . Uniform Domain Name Dispute Resolution Policy, supra note 7.

33 . Id

34 . Id

There are now four dispute resolution providers approved by ICANN. WIPO was the first of these and is the best known of them. [35] WIPO conducted the first UDRP arbitration, World Wrestling Federation Entertainment, Inc. v. Michael Bosman, ordering world wrestlingfederation.com to be transferred to the World Wrestling Federation. [36]
While ICANN plays a quasi-governmental role in Internet administration, UDRP enforcement is entirely based on private contracting. [37]The UDRP does not remove disputes concerning domain name disputes from the availability court proceedings. Despite the availability of the judicial remedy, however, the court system appealed "only a miniscule handful" of UDRP decisions. While both WIPO and national courts have agreed that UDRP rules or arbitration results do not alter or displace national law, how much deference, if any, courts owe arbitration results is still unclear. [38] Clearly, although the UDRP did not intend to replace traditional infringement or squatting litigation, it has become such in many ways. In addition, the UDRP has become the leading forum for the resolution of domain names. [39]

III. FLAWS AND LIMITATIONS IN THE UDRP

Even though the UDRP was largely successful, there were no flaws in the policy. The ability of arbitrators to exercise virtually unchecked decision-making power has resulted in a lack of consistency on several key sues of domain name usage.'[40] This incoherence, in turn, has led observers to conclude that many arbitrators are biased towards brand owners and corporate interests. Lastly, the UDRP achieved the goal of ICANN to create uniform international standards, partly because it does not extend to all domain names disputes. [41]This shortcoming is inherently linked to issues of consistency and fairness in individual cases, because although ICANN successfully addresses these concerns, it is nonetheless unable to fully implement the resulting uniform principles internationally. In summary, the current flaws in the UDRP have the international Internet community with a piecemeal dispute resolution approach and a corresponding unfulfilled need for a comprehensive and consistent solution.

The UDRP's Limited Applicability: ccTLDs and AlternativeTLDs

A second major obstacle to achieving the objective of UDRP's limited applicability of a comprehensive and uniform international dispute resolution system. Specifically, the UDRP does not deal with disputes arising from two notable domain country code registration categories obtained through nations that have adopted UDRP and domain names registered with alternative providers such as New.net.

IV.Conclusion

The UDRP has quickly become a significant part of the cyberlaw landscape, developing into the most popular dispute resolution system of domain names worldwide due to its low cost and relative ease of use. Nonetheless, the international system is not yet fully uniform. UDRP decisions are not entirely consistent, creating confusion, thwarting reliance interests, and raising concerns that arbitrators are biased. In addition, the applicability of the UDRP is mostly limited to disputes over domain names registered through ICANN-approved gTLD registrars, and is therefore not applicable to a growing domain names segment. The inconsistency issue, as well as the related bias concerns, can be addressed by amending the policy to provide clarity and ensure recognition of fair uses. The UDRP's limited applicability is a thornier issue because it can not be addressed directly by ICANN. However, ICANN can counteract the effects of non-conforming registrars by working with them to the extent possible to encourage UDRP or UDRP-like policy adoption. Furthermore, by improving its own image, ICANN can remedy the problem of limited applicability, thereby regaining power and influence over dispute resolution of domain names. Through these actions, ICANN craft the UDRP into a fair, efficient, and consistent international resolution mechanism.

V.References

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2. Article By LISA M. SHARROCK “FUTURE OF DOMAIN NAME DISPUTE RESOLUTION: CRAFTING PRACTICAL INTERNATIONAL LEGAL SOLUTIONS FROM WITHIN THE UDRP FRAMEWORK “

35 . Id

36 World Wrestling Fed'n Entm't, Inc. v. Bosman, No. D99-0001 (WIPO Jan. 14, 2000),

37 Uniform Domain Name Dispute Resolution Policy, supra note 7, ? 4k (expressly pro- viding that "[t]he mandatory administrative proceeding requirements.... shall not prevent [ei- ther party] from submitting the dispute to a court of competent jurisdiction").

38 38 David G. Post, Juries and the New Common Law of Cyberspace, PLUGGING IN, Sept. 2000, available at http://www.temple.edu/lawschool/dpost/Juries.html (on file with the Duke Law Journal).

39 For example, the ICANN guidelines for the dispute resolution policy set out decision and instruct arbitrators to apply the principles to the facts of each case, creating sion that is binding on the participants, subject to the possibility of a court appeal. notes 75-76 and 82 and accompanying text (describing these aspects of the UDRP); Post, supra note 83 ("If it walks like a duck and quacks like a duck, it's a duck [even if sign around its neck that says 'I'm a dog.'].

40 See infra Part II.A

41 See infra Part II.B

3.Caroline Wilson, "Internationalized Domain Name Problems and Opportunities" C.T.L.R. 2004, 10(7), 174-181.

4.http://www.internic.net/faqs/domain-names.html visited on 22/11/1014. The Domain Name System (DNS)helps users to find their way around the Internet. Every computer on the Internet has a unique address – just like a telephone number – which is a rather complicated string of numbers. It is called its "IP address" (IP stands for "Internet Protocol"). IP Addresses are hard to remember. The DNS makes using the Internet easier by allowing a familiar string of letters (the "domain name") to be used instead of the arcane IP address.

5. Article by Pratibha Ahirwar Domain Name Disputes and Cybersquatting in India