

AN INTRODUCTION TO DOMAIN NAME ARBITRATION



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The Hon Neil Brown QC

The internet now controls so much of peoples' lives that it is not surprising that it has thrown up a vast range of issues – legal, financial, marketing, public relations and many others.

One of them is the arbitration of disputes about domain names: who owns them, whether they have been registered improperly or in bad faith to do damage to another party, or whether they have just been stolen or plagiarised. It is of course trite to say that domain names are important in the use of the internet. They are necessary to set up a website and email addresses have to be supported by a website.

Domain names are also becoming more important as commercial and social contact between people is increasingly concentrated on the internet and as domain names, as a form of personal property,¹ become more valuable. Thus, there is a steady flow of disputes over domain names and they are being fought with increased enthusiasm as the value of good domain names increases.

Litigation v. arbitration

Lawyers should therefore be familiar with the processes that are available to resolve domain name disputes, in particular, by arbitration. This is also important for in-house counsel because their organisations, especially those with prominent names, are plagued by cybersquatters.

Traditional litigation has always been, and still is, available when parties want to make a claim regarding a domain name. Parties are not obliged to use arbitration and may sue in the courts for trademark infringement, trade practices law, contract, passing off and any other area of the law that might give them a cause of action to recover a domain name.

The advantages of arbitration.

There are, however, many advantages in using arbitration instead of litigation. First, as many cases concerning domain names are international in character, litigation over domain names has all of the pitfalls and obstacles of international litigation: deciding who the defendant should be, locating it, serving it with documents, determining the governing law and enforcing a judgment, not to mention the delays and excessive costs involved in litigation as opposed to arbitration.

¹ *Tucows.Com Co v Lojas Renner SA* [2011] ONCA 548 (Ontario Court of Appeal).

Accordingly, it became evident during the 1990s that a separate arbitration process was needed to match the unique nature of domain names. This led in 1999 to the Uniform Domain Name Dispute Resolution Policy (UDRP), a system of compulsory arbitration of disputes over the most prominent categories of domain names, such as (.com, .info and .biz).² At the same time, there developed similar dispute resolution processes for the domain names issued under the auspices of various countries, such as Canada and Australia.³

Resort to the law in national courts rather than arbitration still remains, but the UDRP quickly became the principal means of resolving domain name disputes. If all that a party wants is to obtain the domain name quickly and economically, it should arbitrate - but transfer of the domain name is all that such parties can obtain through arbitration. If, however, the claimant wants damages, injunctions and orders, other remedies, costs and interest, then proceedings in the appropriate courts is the avenue that must be followed.

What is the UDRP?

The UDRP (or ‘the Policy’)⁴ is an online system for arbitration that is solely concerned with disputes about domain names, i.e., names that are used to identify a site or address on the internet and which enable the internet to function and people to communicate with each other.

A Complainant who initiates dispute resolution under the UDRP is a trademark owner who claims that the person who responds to the claim (the ‘respondent’) has registered a domain name, had no right to do so and has acted in bad faith in registering and using it.

The UDRP has been remarkably successful and has become the pre-eminent method for resolving domain name disputes. There have been very few court cases over domain names, but more than 50,000 decided arbitrations, all of which are posted on the internet, so a large body of knowledge and experience has been built up. The success of the UDRP has been due to the fact that it is comparatively free of legal complexity, it is conducted online, kept within strict time limits, and produces a result quickly and economically that is automatically enforceable and one that produces finality and closure. The process results in an order for one of the following:

- (1) the transfer of the domain name to the complainant, if that party wins;

² To this list must now be added domain names registered under the new range of Top Level Domains, such as .accountants.

³ <https://www.ada.org.au/assets/pdf/ada-2016-01.pdf>.

⁴ <https://www.icann.org/resources/pages/policy-2012-02-25-en>. In domain name circles, the UDRP is sometimes referred to simply as ‘the Policy’; it is also so used in this article.

- (2) the cancellation⁵ of the domain name if the successful complainant is content to have the domain name cancelled rather than have it transferred to it; or
- (3) an order that the claim be dismissed, which means the respondent/domain name registrant has won and the domain name remains in the ownership of the respondent.

How is the UDRP a form of compulsory arbitration?

This is an important question because it answers another question: how do arbitrators obtain their jurisdiction? The answer lies in contract law. When someone buys a domain name through a registrar like Go Daddy and presses the 'Submit' button, that person becomes bound to an agreement with the registrar that includes the compulsory arbitration process - the UDRP – which is mandated by the Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit company that runs the domain name system from Los Angeles.

How does the system work?

By way of example, a trademark owner - let us call it Ford - has a trademark for FORD that it uses to sell its motor vehicles. Ford claims that someone has registered the domain name <fordspareparts.com>, which is being used to sell counterfeit, second hand and illegally obtained Ford spare parts, all without permission. It decides not to sue in the courts, but makes a claim under the UDRP which it sends by email to its choice of one of the six providers of UDRP arbitration services.⁶ The claimant may bring its claim in any one of those providers. The provider serves the claim by email on the registered owner, waits to see if it files a response and then chooses an arbitrator from its list or panel of arbitrators.⁷ The arbitrator considers the evidence and submissions, writes a decision and returns it to the provider, who then issues the order and sends it to the registrar, who takes steps to comply with the order, unless the claim is dismissed, in which case the registrant of the domain name keeps the domain name. If the order is for transfer or cancellation of the domain name, there is a period of grace of 10 days before the domain name is transferred or cancelled, so that the unsuccessful respondent may institute court proceedings to have the order set aside if it wants to.

What law is applied in resolving the dispute?

⁵ Not many claimants ask for cancellation, as a cancellation means that the unsuccessful respondent could, if it acts quickly enough, register the same domain name again, immediately after it has been cancelled.

⁶ The World Intellectual Property Organization (WIPO) in Geneva, the National Arbitration Forum in Minneapolis (NAF, now known as Forum), the Asian Domain Name Dispute Resolution Centre at various Asian centres, the Czech Arbitration Court in Prague, the Arab Centre for Dispute Resolution in Amman, Jordan and the Canadian International Internet Dispute Resolution Centre in Vancouver.

⁷ A sole panellist or arbitrator, unless one party asks for three, in which case the provider follows ICANN's rules to appoint the three panellists.

Arbitrators are required to apply ICANN’s Policy⁸ and Rules⁹ in the arbitration. One provision – paragraph 15(a) - deserves particular attention, for it requires the arbitrator to apply the Policy and Rules and “... *any rules and principles of law that it deems applicable.*” This provision gives rise to some interesting issues, such as whether it enables an arbitrator to apply equitable principles, such as laches¹⁰ or the US free speech defence.

What has to be proved?

The arbitrator’s role is to decide whether the Policy has been complied with, for the Policy determines (i) whether or not the domain name is identical or confusingly similar to the trademark in question, (ii) whether the registrant has a right or legitimate interest in the domain name, and (iii) whether the registrant has registered and used the domain name in bad faith.

The complainant must prove all of those three elements by evidence on the balance of probabilities. Cases frequently fail, however, because parties and their legal advisers simply make assertions rather than prove facts by evidence.

The three elements to be proved by a claimant, to state them again, are:

- (1) that the domain name being claimed is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (2) that the party who holds the domain name (the registrant) has no rights or legitimate interests in it; and
- (3) that the domain name has been registered and is being used in bad faith.

Let us have a look at each of these three elements

First element: the trademark

The arbitration avenue under the UDRP procedure is therefore available only to parties who have a trademark.¹¹ The trademark may be registered in any country, even if not in the registrant’s country. It may be a registered or an unregistered common law trademark. It is surprising how many companies do not have a registered trademark over their company names or products and so it is just as well, for them, that

⁸ The UDRP, available at <https://www.icann.org/resources/pages/policy-2012-02-25-en>.

⁹ Rules for Uniform Domain Name Resolution Policy, available at <https://www.icann.org/resources/pages/udrp-rules-2015-03-11-en>. The Rules are applicable to all disputes, no matter which of the six providers is used. In addition, each provider has its own set of Supplementary Rules that provide more specific rules for dealing with cases handled by that provider and covering matters such as the file size of electronic communications and filings.

¹⁰ An issue that is presently subject to debate, due to the longevity of some domain names now being made the subject of claims.

¹¹ Note that this is the requirement of the UDRP. It is not the requirement under some of the country code dispute resolution procedures, such as the Australian auDRP, under which it is sufficient if the complainant holds a trademark, company name or registered business name.

unregistered trademarks are allowed, if they can be proved. This is also true of some celebrities who, like Hillary Clinton,¹² did not have a registered trademark and had to prove (not just assert) an unregistered or common law trademark in her own name, which she succeeded in doing.

The panel or arbitrator¹³ must make a comparison between the domain name under dispute and the trademark relied on, to see if the domain name is identical or confusingly similar to the trademark. There are various ways in which this test has been formulated, but one way of expressing it is if a reasonably informed bystander would think that they were the same, in appearance or perhaps in the way they sound or that the domain name was invoking or referring to the trademark. To take an obvious example, the domain name <onthego.com> is clearly identical to the trademark ON THE GO¹⁴ as the domain name and the trademark contain the same words, and the gaps in the trademark are regarded as being irrelevant. The domain name <delltechnologies.com> is clearly not identical to the trademark DELL, as it contains different words, but it is confusingly similar. Why? Because everyone knows Dell is a technology company, and when the word Dell is put in juxtaposition with the word ‘technologies’ in the domain name, the person who created it was probably trying to suggest an association with Dell.¹⁵ Sometimes, however, there are real disputes, for example where the person who registered the domain name <chubbsux.com>, added the derogatory word ‘sux’ to the CHUBB trademark; in that case, is the domain name confusingly similar to the trademark CHUBB?¹⁶

Second element: no right or legitimate interest in the domain name

Under this element, the complainant has to prove that the person who registered the domain name has “no rights or legitimate interests in” the domain name.

The general approach of arbitrators or panellists to this issue is to see if the complainant has made out a *prima facie* case that the registrant has no right or legitimate interest in the domain name and, if so, the onus of proof shifts to the registrant to prove that it has a right or legitimate interest. Normally, the complainant trademark owner will prove that its trademark has been taken and embedded in the domain name without consent, and that the domain name has been used for some improper purpose, such as selling counterfeit or competing goods on a website or pretending that the website is the trademark owner’s website. The complainant trademark owner will then leave it up to the registrant to try to rebut the *prima facie* case against it and the arbitrator’s job is to see if the registrant has succeeded. The test is whether there is some valid and plausible reason why the registrant registered the domain name or whether this was done to disrupt the trademark owner’s business, to force it to sell the domain name or to make

¹² *Hillary Rodham Clinton v Michele Dinoia aka SZK.com*, NAF Claim No FA0414641 (18 March 2005).

¹³ These two terms are used interchangeably in this article

¹⁴ *On The Go Technologies Group v ONTHEGO Internet Solutions Inc*, WIPO Case No D2006-1060 (14 November 2006).

¹⁵ *Dell Inc v Pateh Mbowe*, WIPO Case No D2004-0689 (20 October 2004).

¹⁶ *Chubb Security Australia Pty Ltd v Mr Shahim Tahmasebi*, WIPO Case No D2007-0769 (13 August 2007).

money through blackmailing the trademark owner or by selling counterfeit goods or pornography.

The domain name registrant may succeed by proving,¹⁷ e.g., by a statutory declaration or an affidavit or a screenshot of its website, that it had used the domain name for a *bona fide* offering of goods or services or that the domain name is in fact the name by which the registrant is commonly known,¹⁸ as in the case of the fortunately named Mr. A R Mani, who had the foresight to register the domain name <armani.com>, much to the annoyance of the Giorgio Armani company.¹⁹ A party may also show a right or legitimate interest in a domain name if it is used for a genuine criticism site, or a fan site promoting the qualities of one's favorite film star or author.

But the real fights over domain names take place where the domain name is a generic or common dictionary word and a complainant trademark owner says that the generic expression in the domain name is the same as or similar to its trademark and that it is being used for a website to sell similar goods or services to those of the trademark owner. Readers are invited to look at some of the decisions on this controversial topic to see the outcome of such cases.²⁰

Third element: bad faith

The third element that must be proved by the complainant is that the domain name 'has been registered and is being used in bad faith.'

Note the conjunctive "and", as both the registration in bad faith and use in bad faith must be proved. Here again, the Policy sets out several examples of bad faith, but a complainant may rely on any other factor, which must also be proved by evidence.

The examples given in the Policy²¹ are, first, where the domain name was acquired *primarily* for reselling or renting it to the trademark owner or a competitor; secondly, where the domain name was registered to prevent the trademark owner from reflecting the trademark in a corresponding domain name; thirdly, where the domain name was acquired *primarily* to disrupt the business of a competitor (such as a domain name used to bypass an authorized seller of tickets for an event, so that internet hits end up with a scalper); or, fourthly and more frequently, where the domain name causes confusion by

¹⁷ Paragraph 4(c)(i) of the Policy.

¹⁸ *Ibid*, para 4(c)(ii).

¹⁹ *GA Modefine SA v AR Mani*, WIPO Case No D2001-0537 (20 July 2001).

²⁰ See, for example, the cases mentioned in the following extract from the decision in *LiveOne Group Ltd v Kim KwangPyo/MediaBlue Inc*, NAF Claim No FA1210001467218 (10 December 2012):

"... See *Zero Int'l Holding v. Beyonet Servs.*, D2000-0161 (WIPO May 12, 2000) ("Common words and descriptive terms are legitimately subject to registration as domain names on a 'first-come, first-served' basis."); see also *Target Brands, Inc. v. Eastwind Group*, FA 267475 (Nat. Arb. Forum July 9, 2004) (holding that the respondent's registration and use of the <target.org> domain name was not in bad faith because the complainant's TARGET mark is a generic term); see also *Miller Brewing Co. v. Hong*, FA 192732 (Nat. Arb. Forum Dec. 8, 2003) (finding that because the respondent was using the <highlife.com> domain name, a generic phrase, in connection with a search engine, the respondent did not register and was not using the disputed domain name in bad faith)."

²¹ See Policy, para 4(b) for the details.

actively misleading internet users as to whether the site to which they are diverted is an official website that is authorized or approved by the trademark owner,²² a practice that is sometimes used to give the impression that the website is official but is used to sell counterfeit or illegal goods, such as pharmaceuticals. Proof of any of these criteria would be good evidence going to show that the domain name was registered and used in bad faith.

What has to be shown here is *bad* faith, i.e., conduct worthy of rejection, conduct that is reprehensible or, as an internet dictionary puts it, “lack of honesty or trust”²³ and not just conduct of which the complainant does not approve. This was seen in one of the cases that failed because the trademark owner did not or could not prove bad faith: *Nintendo of America Inc v Alex Jones*.²⁴ Young Alex Jones was a *Legend of Zelda* fan and registered the domain name <legendofzelda.com> to promote Nintendo’s popular video game. However, he praised the story and characters, not denigrated them, and he really did Nintendo a big favor by promoting it. The panelist therefore wisely decided that this was not bad faith but good faith!

If the complainant succeeds in proving these three elements, it will obtain an order from the panel that the domain name be transferred to it. Sometimes, however, the panel will find that the complainant, as well as failing to prove its case, was too heavy-handed and was trying to harass the registrant into handing the domain name over at a lower price than the registrant was prepared to take. In those cases, sometimes called Plan B cases, the panelist may make a finding that the complainant has engaged in ‘Reverse Domain Name Hijacking’. This has no immediate effect, but is embarrassing to the unsuccessful complainant.

The outcome

Most UDRP cases are won by complainants because most of them are undefended. But even where a case is undefended, the complainant still must prove its case. The author occasionally reads decisions in undefended cases in which respondents made no submissions, but complainants failed to prove their case, with the result that the respondents prevailed.

The interface between the UDRP and the process applying to domain names in separate national regimes

Thus, the UDRP is a policy framework applying to the broad range of domain names issued by ICANN-accredited registrars in relation to the well-known .com, .info, .biz etc. It is also used for domain names issued under the 1000 new Top Level Domains, such as domain names issued under the .xyz, .club, .Melbourne or .accountants ‘umbrellas’. As well as the UDRP, however, there are also country-code top-level domains, such as .my for Malaysia and others for specific Asian jurisdictions, such as

²² See *Harbord Real Estate v Austin Robinson*, WIPO Case No D2006-0418 (15 May 2006).

²³ BusinessDictionary.com - <http://www.businessdictionary.com/definition/bad-faith.html>.

²⁴ WIPO Case No D2000-0998 (17 November 2000).

.com.au for Australia and .ca for Canada. Consequently, specific Asian and other policies and dispute resolution processes will apply and it is important if, for example, one is chasing a .my (dot my) domain name, to use the Malaysian process and read the Policy and Rules that will govern the arbitration process. If one is trying to recover an Australian domain name, i.e., one ending in .com.au, the specific Australian Policy and process must be used.²⁵

The importance of evidence

The importance of evidence in all proceedings should be reiterated. Assertions are not enough; the author has seen many a case lost because parties did not adduce evidence that was almost certainly available to them.

Points for in-house counsel

In-house counsel may well be asked to give urgent advice on how to retrieve a domain name if it looks as though someone has taken a trademark, registered and used a domain name that looks like a copy or is suspicious in some other way, such as passing off their website as the company's website. The following checklist should therefore be of assistance.

- (1) Get a good working understanding of the domain name arbitration system. A record of developments in this field, including some knotty procedural issues, may be found at www.domaintimes.info, the websites of the six providers of arbitration services²⁶ and ICANN's website at www.icann.org.
- (2) Decide what you want from making a claim. If you want only the domain name and do not want damages or injunctions, arbitration is the way to go. If, however, you want remedies like specific orders or damages, you will need to litigate.
- (3) If the domain name you want to recover is a .com one, or one of the other international domain names, you will use the UDRP. You may bring the claim through any one of the six providers accredited by ICANN and they are all very professional and efficient. If, however, the domain name is a country code one, such as .my or .com.au, you will have to use the Policy and arbitration process laid down for that group of domain names.
- (4) *Prima facie*, you will have a single person panel. If you have a novel or difficult case, consider asking for a three-person panel.
- (5) Make sure you have a trademark you can use and rely on in your claim.
- (6) Your case will be won or lost on the evidence, not by making assertions.

²⁵ See notes 9 and 10 above.

²⁶ See note 6 above.

(7) Do not exaggerate your case or rely on dubious points.

(8) If in doubt, always ask someone for advice.

Other issues

From time to time, we will include in Domain Times articles on specific issues that arise, such as: in what language will the proceeding be conducted; can you bring a claim for several domain names in the one proceeding; in what way, if at all, is it significant if the domain name is registered under a privacy service? There are many more.

Please let us know if there are specific issues or topics on which you would like us to include an article.

DOMAIN NAME ARBITRATION IN VARIOUS COUNTRIES

Use the free advisory service for initial inquiries offered by The Hon Neil Brown QC, Arbitrator, at nabrownqc@vicbar.com.au and see www.domaintimes.info.

United Kingdom. Consult Nominet, for disputes on .uk domain names at <https://www.nominet.uk>

China, Hong Kong, South Korea, Malaysia (.com, etc). Consult the Asian Domain Name Dispute Resolution Centre at www.andrc.org

India

Consult registry@nixi.in

Malaysia (.my)

Consult the Asian International Arbitration Centre at <https://www.aiac.world>

Singapore (.sg). Consult the Singapore Mediation Centre and the Singapore International Arbitration Centre and www.sgnic.sg.

Australia. Consult www.resolution.institute

Canada. Consult the British Columbia International Commercial Arbitration Centre (BCICAC), for dispute resolution services for .ca (Canadian) domain names

A division of the BCICAC, the Canadian International Internet Dispute Resolution Centre (CIIDRC) has recently been appointed as a provider of domain name dispute resolution services in the range of .com, .info, .net and the other domain names. Consult it at <https://ciidrc.com>

New Zealand (.nz). Consult the Domain Name Commissioner at www.dnc.org.nz

Inquiries for all other countries. Consult WIPO at www.wipo.int.

Best wishes.

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See the website **Domain Times** at www.domaintimes.info. The website that covers everything to do with domain names.

