UDRP: The Best Way to Solve Domain Dispute?

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Abstract

The proliferation of Internet technology, without doubt, is helping people to become a communication and information switchboard, between persons, networks, busines, as well as institutions. It is done by an Internet Domain Name, an alpha numeric mnemonic device that can be mapped onto an Internet Protocol (IP) address to ease users browsing and surfing the web. This domain can be a valuable business asset as it often consist of a person's name or company's name or trademark. The dispute may arise when one party claims other's domain names which considered tend to dilute his/her trademark by many different offences. This paper investigates how Uniform Dispute Resolution Policy (UDRP), first coined by ICANN, comes with solution to the dispute as well as its good side and shortcomings.

Keywords*: Internet, domain name, domain dispute*

1. Introduction

Today Information and Communication Technologies (ICTs) pervade almost all human aspects of life. The popularity of the personal computer and the Internet has also skyrocketed in recent years. The proliferation of the Internet as it became more than an academic *chatroom*. Unlike groupware, the Internet was open-ended, and seemingly infinite in scope. The Internet was seen as a bright light, shining above everyday concerns. It was a wonder of technology, thought to be bringing a new enlightenment to transform the world. Communication dominated the Internet, by asynchronous email and discussion lists and by synchronous instant messaging and chat groups. All were supposedly connected to all, without boundaries of time and space [20].

The Internet is helping each person to become a communication and information switchboard, between persons, networks, businesses, and institutions. Simply type the address, called Internet domain name, at the address bar on the internet browser such as http://www.findaddress.com, all information requested by the user will be displayed. This address hides the complexity of the Internet Protocol (IP) address. While IP addresses tell a computer which page to open, but are relatively meaningless to a human internet user, Internet domain names can be easily remembered because they are usually chosen in a form that relates to the entity or something that internet users might want to access [13]. This domain name is a terminal that can be contacted by another terminal, permitting the address to be available worldwide on global networks [19].

A domain name can be a valuable business asset. People can use it as a combination trademark and shop front which are intended to attract customers and assist them in locating a commercial site and finding specific information or as a pointer to useful source of information [13]. Trademarks can induce consumers to select particular products that they desire, or which they have been led to believe they desire through advertising and of promotion of the corresponding goods. On the other hand, domain names have the additional capacity to convey a communicative message which enables trademark owners to disseminate information of their products [11].

The domain names must be unique or a Domain Name Server (DNS) fail to know which IP address to return when confronted with a domain name [8]. Similarly, trademarks are, usually, used by the trademarks owners as their unique identities correspond to their goods or services they provided. Once domain names were thought of as a brand, it quickly led businesses to the conclusion that trademarks might or should imply rights to corresponding

domain names [8]. Trademarks can be registered as a domain name both by their owner and by third parties who are have no right to them. As the uniqueness of domain name and its potential value, trademarks owners should expect that no other parties apart from them holding domain names correspond to their registered trademarks since they have right to stop unauthorized parties from using the same or similar sign for similar goods or services or they will be liable for registered trademark infringement and, accordingly, can be the subject of legal proceeding [1, 3].

Domain names are registrable based on a "first come first served" [4]. Therefore, it is possible that one party registered domain names at a time, for example *timeslash.com*, and will be accepted by the registrar providing that there is no previous registered name identical to it. Later on, sometime after the registration, there is a successful business company registers *timeslash* as it trademark and also accepted by trademark office. Obviously, this company fully aware that anyone in the worldwide will able to reach them and internet domain is the solution. Unfortunately, this company found that there was a registered domain correspond to their trademark that leading them unable to register the same domain. It is true that the company has the right to ask the current registered *timeslash.com* holder to transfer it to them. But, the domain holder can refuse to transfer it because he/she has registered legally and has not been used the disputed domain name for the bad faith.

Moreover, there is no system in domain name system prevents one party from monopolizing various forms of a particular domain name. The problem will rise where more than one party might have competing interest in the same name [13]. In addition, it is also possible that one party registered numerous domain names to take advantages from them like what Toeppen did (see Panavision International vs Toeppen [18]. Accordingly, action was taken at both international and domestic levels to create domain name dispute resolution procedures that would protect trademark owner against such bad faith registration [13].

In order to afford trademark owners an expedited, inexpensive means of resolving domain names disputes, Internet Corporation for Assigned Names and Numbers (ICANN) conceived Uniform Domain Name Dispute Resolution Policy UDRP in 1999 to assume control over the management of the domain name system (DNS) [BAS]. UDRP consists of a set of rules which help decide who ought to own a particular domain name in the case of a dispute over ownership [14].

Until 2004, UDRP has resolved over 7790 disputes involving more than 13300 domain names [12]. With its global reach, fast turnaround, and low fees, the UDRP is praised a good example of the potential of online alternative dispute resolution [7][8]. However, despite its potential caseload and some positive reviews, the UDRP has also significant critics. There are some who suggest that the system does not go far enough to protect trademark owners [16]. Another critic concerned that the system promotes forum shopping [17] and it systematically biased in favor of trademark owners or the complainants in domain name disputes [8] or complainant-friendly [7].

Besides, there are more procedural shortcomings which are deemed as unfair aspects of UDRP, such as biased appointment of panelists [8], selection and composition of the arbitral panel, timeline, notice and computation of time, cost, and language issue [7].

2. Domain name System

Internet domain name is an alpha numeric mnemonic device that can be mapped onto an Internet Protocol (IP) address to enable users to "surf the Web" more easily than if they had to remember the details of each IP address they wanted to visit [2]. Domain names, subject to an exception for "internationalized domain names", can consist of the Roman alphabet in upper and lower cases, the numbers 0 to 9, the full stop and the hyphen. They effectively operate as a type of mnemonic, and are invariably easier to remember than IP addresses – for example, instead of typing 202.161.100.3, it is possible by virtue of the DNS to type www.example.org and to access that website using the domain name "example.org" [3].

Domain fall into two types: the generic top level domain names (gTLDs) and the country code top level domain names (ccTLDs). On one hand, the ccTLDs correspond with a location in a particular country, such as .uk in the United Kingdom; national authorities control ccTLDs applying their own domestic regulations, which in many ways follows the same policy used by the gTLDs. On the other hand, the gTLDs are regulated by the Internet Corporation for Assigned Names and Numbers (ICANN) [6].

The gTLDs consist three or more characters [3]. In the above example, the suffix of the domain name is ".org". This is such example of generic Top Level Domain, representing that the operator of the Web site is an organization. The most popular gTLDs are ".com", ".org", and ".net". That is because these names represent organizations or business operations, and are not ties to geographical boundaries, so they mor universal than domain names suffixed by a ccTLD [L]. There are many other gTLDs such as ".aero", ".biz", ".cat", ".edu", ".gov", ".info", ".jobs", ".int", "mobi", ".mil", ".museum", ".name", ".pro", and ".travel" [3].

The ccTLD consist two characters. There are around 240 or more ccTLDs ranging from Andora (.ad) to Zimbabwe (.zw). The second level domain of ccTLDs is as follow: ".co.uk" represents the commercial enterprise resides at the UK, ".gov.it" represents the Italian government agency [3].

In brief, the domain names: serve to identify the destination of communications, strengthen the organizational identity of the addressee, increase accessibility to information, and may have an economic value as substitutes for trademark. [9] [19].

3. Uniform dispute Resolution Policy (UDRP)

The main source of dispute resolution rules that apply to domain names is the Uniform Dispute Resolution Policy (UDRP), conceived by ICANN. The UDRP is a private, cheap, relatively fast, and predominantly online dispute resolution procedure for situation in which a complainant is disputing the registration of a domain name [13]. The creation of the UDRP had a double aim. First, it was created to cope efficiently with the most blatant violations trade mark law (cybersquatting). The second objective was to protect the registry (ICANN) and the registrars from trade mark litigation [6].

ICANN then selected four organisations to act as arbitrators to any resulting disputes. They are: the World Intellectual Property Organisation (WIPO), based in Geneva, Switzerland; the National Arbitration Forum (NAF), based in Minneapolis, Minnesota, US; eResolution, based in Quebec, Canada; and the CPR Institute for Dispute Resolution (CPRADR), based in New York, US [14].

One the most important notion in UDRP is Cybersquatting. It is defined by the US Anti-Cybersquatting Consumer Protection Act 1999 as registering, trafficking in, or using a domain name with bad faith intent to profit from the goodwill of a trade mark belonging to someone else [5]. The UDRP provides that: cybersquatting is proved where:
1. the domain name is identical/confusingly similar to a trade mark in which the complainant has rights (registered, or unregistered and arising through use);
2. the registrant has no rights or legitimate interest in the domain name;
3. the domain name has been registered and is being used in bad faith.
There are some domain name disputes classification: [13]
1. Classic Cybersquatting;
2. Noncommercial Cybersquatting;
3. Contest between Multiple Legitimate Interest;
4. Dispute Involving Personal Names;
5. Culturally Significant Names.

4. UDRP Procedural hortcomings and its uggested Solutions

The UDRP's procedural mechanisms significantly buttress the dispute resolution scheme's substantive advantages to trademark holders both pre- and post-proceeding. [11]. The following are some UDRP procedural shortcomings which are deemed to be the most unfair aspect of the UDRP rules:

4.1 The selection and composition of the Tribunal and Provider

Rather than both complainant and registrant having equal input into who will decide the case, the complainant chooses which of four arbitral tribunal from a small list of approved providers maintained by ICANN (WIPO, NAF, eResolution (before its bankruptcy), and CPRADR) [7]. In addition, the complainant also can preside over by either a one- or three member panel appointed from the provider's table of panelists [11]. The registrant has no say in which provider will manage her case. She can, however, pick one member of a three-person panel at her own expense if the complainant only appointed a single panelist and the registrant decides three are needed.

All in all, the system gives dispute resolution providers an economic incentive to compete by being complainant-friendly and further undermines the neutrality and perceived legitimacy of the process by enabling complainants to significantly influence panel composition [7][11].

In conjunction with provider selection, ICANN allowed the complainant to select the provider without providing any mechanism to monitor the system for pro-complainant bias [7]. Muller's study found that the two most popular providers (WIPO and NAF) have gained the majority of market share by deciding more often cases in favour of complainants. In contrast, another provider, eResolution which resolved in a less complainant-friendly, obtained only 7% despite its lower charge comparing to the above providers [17][6].

Fromklin suggested that the UDRP must reform its built in tendency to reward arbitration service providers for being complainant-friendly. In addition, the system must be, and must be seen to be, even-handed between both complainants and registrants [7].

4.2 Issues of Notice and Computation Time

The registrant has only short period of time to reply the notice of complaint sent by the UDRP. UDRP mere sent the complaint to postal-mail, fax, and email addresses found via *whois*, and by email to postmaster@plus any email address shown or email links on www.domainname suffices to start the twenty day clock for registrant only chance to reply. This short deadline is completely unfair to the registrant. What if the registrant out of office or home for more than two-week vacation? Obviously, she will lose her chance to explain why she should keep her domain name. The registrant should need to the long enough response periods to find a lawyer they are comfortable with, and to organize and write the response [7][6].

Another problem is the computational time. It is common that the complainant attaches a large number of paper exhibits to her complaint. The exhibits papers frequently are not digitized. Since the twenty day period for registrant begins when the first email is sent, the paper exhibits containing crucial part of the case remain on the way to the registrant addresses. Thus, the registrant is not informed of the case until the paper exhibits arrived [7].

Again, there is an unfair time limit in relation with enforcement of panel decision, if the complainant loses the arbitration; he have as long as he want to file in court. On the contrary, the registrant has only ten days from the date of the panel's decision to prepare the legal action in order to block the name transfer [7] [11] [6].

To cope with these problems, the response period should be prolonged to at least 60 days, and the clock should begin when the entire complaint along with the proof documents has been received. In relation with complainant's attachments, UDRP should set both word and material limit. Thus, complainants should be penalized for using the attachments excess the limit [7].

The more horrible problem is the NAF "Sandbag" rule. It offers the parties a chance to respond five days after the close pleading with additional cost $150. This, absolutely, tend to favor the complainant, since the ordinary close of pleading is the registrant's response. Hence, it seems to be far from justice. What to do is just remove this rule and replace it to assert that if a party introduces an additional brief, the other party, automatically and without additional cost, shall have an equal right to respond [7].

4.3 Single vs Three-Member Panels

In 2001, Professor Michael Geist found in his study that complainants win more in single panel cases (over 83%) than in three-member panel cases (60%) [8]. Recall that the complainants liable only for single panel cost (where he picks only single panel), if the registrants prefer to appoint more than one panel, the cost is with them [6].
This dramatic difference reveals that case allocation tend to be heavily biased toward ensuring that a majority of cases are steered in favor of complainant [8]. Geist suggested that is a three-member panel is mandatory and it must be paid by the complainant to reach the better condition [6].

4.4 Language and Cost Issues

As Internet users come worldwide, consumers can possibly come from any part of the world. Many countries usually have consumer protection laws that require all consumer contracts concluded in the local language in accordance with validity and enforceability.

However, an official text of the UDRP exists only in English. This will lead the problem if domain name registration conducted cross-national boundaries since the registrars use the English text as reference and may make the agreement unenforceable against consumer in non-English Country [7]. In essence, ICANN should provide official translation of UDRP policy and rules to many languages to avoid above problem [6].

Basically, the complainant always pays the fee except if the complainant picks single panel and the registrant applies for more. Thus, both share the fees. But, the point is not there. Different provider comes with different competitive fees.

Unlike the ordinary business, which is the less expensive will be the consumer's preference; WIPO has the biggest market share despite its high cost [6]. This because, again, that the complainant-friendly much more important element among complainants than the fees due to their economic power [8][17]. In addition, since the system of arbitration rewards decisions made in favour of the complainant, WIPO and NAF have repeatedly been accused of twisting UDRP towards the trademark owner's favour. It is no wonder that these providers are also the best known, the richest and most popular [M]. Under UDRP it is impossible to impose the payment of legal cost; the solution is that the payment of legal cost be claimed in litigation [6].

Actually, beside of the above issues, there are some other UDRP's procedural drawbacks ranging from the burden of proof, no appeal process, a nonsense of bid faith defense, no UDRP monitoring, and ignoring legitimate ownership domains [15] [7].

5. Conclusion

The Internet is a worldwide network of computers that allows computer users to access millions of web sites and web pages. Every web site has an identifier called a "domain name." It often consists of a person's name or a company's name or trademark. The dispute arises when one party claims other parties' domain names which arguably tend to dilute his trademark by cybersquatting or related offences.

UDRP came with set of rules which intend to decide who will own a particular domain name in the case of dispute. With its global reach, fast turnaround, and inexpensive, the UDRP is praised a good example of the potential of online alternative dispute resolution. However, in order to make the policy as simple as cheap as possible, several important facets were overlooked or mishandled. This enabled those arbitrators chosen to use domain dispute cases to subvert it to their financial and reputational gain.

Finally, it is no doubt that UDRP's fairness aspect need to be reformed. Hence, hopefully, it will come with the revised or updated and more effective approaches to the domain disputes.

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