

THE MANDATORY ARBITRATION OF DOMAIN NAME DISPUTES and SIGNIFICANT CHANGES TO THE CANADIAN DOMAIN NAME REGISTRATION SYSTEM.

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Since January 1, 2000 a fast, inexpensive arbitration process has been used to resolve many domain name disputes. Clients whose names or trade marks have been taken as domain names by others may be able to use this process as a relatively quick fix to obtain transfer to them of the domain name.

By now everyone has used a domain name. Domain names are used to find specific computers attached to the Internet, which is a network of computers. The actual address of a computer on the Internet is four numbers between 0 and 255, such as 234.34.310.35. This is called an IP address. As with telephone numbers, each IP address must be unique. A domain name is simply a name which substitutes for the IP address to make it more meaningful and memorable.

ICANN (which stands for The Internet Corporation for Assigned Names and Numbers) is ultimately responsible for administering certain aspects of the Internet. Part of the administration involves making sure that the domain names given out are unique.

ICANN delegates the registration of domain names to registrars. The various registrars contract with end users to record the end users' domain names and IP addresses. Since January 1, 2000, ICANN has required that end users having domain names ending in ".com", ".net", and ".org" be contractually bound to a Uniform Dispute Resolution Policy. The policy and associated rules may be found at www.icannfind.com and at icann's web site at www.icann.org/udrp/udrp.htm.

The policy (popularly known as UDRP) requires that trade mark registrants submit to arbitration of competing claims to domain names. The remedies available to a complainant are limited to transfer or cancellation of the domain name. There is no provision for damages, injunctions, the award of costs, or other remedies. The Rules do reserve the right to the arbitration panel to declare that a complaint has been brought in bad faith.

A complainant must absolve the registrar and ICANN from liability. It must also attorn to the jurisdiction of the Registrar or of the registrant for the purposes of any challenge to the panel's decision.

The complainant has the burden of proving that:

- * It has rights in a trade mark or service mark,
- * The domain name is the same as or confusingly similar to the trade mark or service mark,
- * The domain name registrant has no rights or legitimate interests in respect of the domain name, and

- * The domain name has been registered and used in bad faith.

The policy provides several examples of bad faith:

- * registering the domain name to resell it to the trade mark owner at a profit,
- * registering the domain name to deprive the trade mark owner of it, as part of a pattern of such conduct,
- * registering the domain name to disrupt a competitor's business, and
- * intentionally attempting to attract users to a web site by creating confusion.

A registrant must respond to all of the issues raised by a complaint. Three specific defences are provided by the policy. These arise when the registrant:

- * can show use or preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services, made before receiving notice of the dispute,
- * has been commonly known by the domain name, and
- * is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

ICANN has approved a list of dispute resolution service providers whose decisions will be applied by the registrars. The registrars will apply the panel's decision unless notified that litigation has commenced within ten days of the panel's decision.

The UDRP has also been adopted by the managers of twelve country-code level domains such as .nu, .tv, .ws and .as. In addition, similar policies are being adopted for other countries. CIRA is the Canadian non-profit corporation which is assuming management of the Canadian domain, ".ca". CIRA's full name is Canadian Internet Registration Authority. CIRA is presently circulating a similar policy for public comment before adopting it. Information on CIRA and its draft policy may be found at the CIRA web site at www.cira.ca.

The cost of filing a complaint depends upon the number of arbitrators requested. To give you some idea of current fees, the Canadian based dispute resolution service provider, eResolution, charges \$1250 US for a single arbitrator when one or two domain names are in issue. This increases to \$2900 US when the same dispute is heard by three panelists. The fees increase when more domain names are involved in the complaint. eResolution can be reached at eResolution.ca. Another dispute resolution service provider is the World Intellectual Property Organization, which is widely known as WIPO. WIPO charges \$1,500 US and \$3,000 U.S. respectively for the same services. WIPO can be reached at www.wipo.org.

Evidence filed in the arbitration process is not given under oath. There is no cross examination. The cases are decided based on written submissions and attached supporting documents (although oral argument is theoretically possible if the panel

requests it). The process is adapted to be carried out online as much as possible, and to be completed quickly.

The time lines provided in the rules are tight. For example, the respondent has 20 days to file a response. The panel is expected to render a decision within fourteen days of its appointment. In practice the arbitration proceedings typically take two to three months from the filing of the complaint to rendering of the decision.

The arbitrators are typically located all over the world. The panel members may not be from a country in which either participant is located.

The parties may request particular panel members, but are not assured of getting them. The dispute resolution service providers publish a roster of available arbitrators on their web sites. The arbitrators are typically intellectual property practitioners or academics knowledgeable in the trade mark field.

Panel members are required to be impartial and to declare any potential conflicts of interest. Reasonable provisions in the Rules ensure the fairness of the process. Unilateral communication with the panel is prohibited, for example. Decisions are required to be in writing and are published on the Internet.

At the time of writing, the UDRP process has rendered approximately 1400 decisions to date, involving about 2500 domain names. 540 decisions are pending. 211 cases were disposed of without decision.

In general, the policy has been applied in accordance with generally understood trade mark law principles. Panels have generally declined to protect generic trade marks. In cases where the disputants were from the same country, panels have found it appropriate to expressly apply the laws of that country. Panels have in some cases included surnames and city names in the definition of "trade marks" and protected them under the UDRP.

The policy requires that the domain name has been registered and is being used in bad faith. The requirement of use was seen as a potential limitation on the application of the policy. However, panels have considered domain names which have never pointed to an operating web address to be in use where the registrant has attempted to sell the domain name, and even where the registrant has done nothing at all. Thus a domain name registrant who registers someone else's trade mark as a domain name and simply waits for offers from the trade mark owner is within the reach of the policy.

Bad faith is a key component of the policy. The four specific instances of evidence of bad faith set out in the policy have not served to limit panels in making findings of bad faith. Each of the criteria has been broadened beyond its express terms. The following conduct has also been considered to be in bad faith: Uncooperative or surly responses to the UDRP process, giving false information when registering the domain name, failing to keep the registrant's contact information current, failing to respond to demand letters from the complainant, using the domain name for a site criticizing the trade mark owner,

linking or threatening to link the domain name to porn sites, and actual knowledge of the complainant's trade mark.

In practice, many UDRP complaints succeed by default. Either there is no response or the response is not substantive. Abusive and evasive responses have generally failed to impress arbitration panels.

Many UDRP complaints lose because the complainant fails to include all the elements necessary to establish a winning case. This deficiency may stem from complainants taking the UDRP process too lightly. Perhaps complainants are deceived by the speed, low cost and apparent simplicity of the proceeding. It is well worth having trade mark counsel prepare the case. Not only will they avoid elementary and common mistakes such as choosing the wrong complainant, failing to file copies of the relevant trade mark registrations, filing expired trade mark registrations, etc., they will avoid missing arguments and issues which can determine the success of the complaint.

It should be borne in mind that UDRP decisions could result in findings which limit the complainant's rights in the trade marks in issue. This is a possible outcome of all trade mark infringement litigation, which includes UDRP arbitration cases. Findings such as, that there is no likelihood of confusion, that a trade mark is not a famous mark, or that a trade mark is descriptive, could be expected to be cited in other disputes concerning the trade mark around the world, with potentially serious consequences to the complainant. It is therefore important not to treat the process too casually.

What can be done to people from registering your trade mark as a domain name? There is no complete prevention. There are so many possible variations on your company name that you cannot register them all in your own name. You should however consider obtaining the domain names corresponding to new corporate names or brands before you publicly adopt them. If you do trade mark or corporate name clearance searches such as NUANS searches, you should also do domain name searches to ensure that there are no conflicts.

The identity of a registrant of a top level domain can be found by consulting a web site offering a "whois" search of the registrars. One such site is betterwhois.com. To ascertain the ownership of a Canadian domain name, visit the web site cira.ca, click "WHOIS" on the menu, and enter the name to be searched .

The existing registry system is maintained by the University of British Columbia. The web site it maintains for this purpose may be found at www.cdnet.ca.

The transfer of the Canadian registry for domain names ending in ".ca" is scheduled to take place December 1, 2000. The transfer will have a number of important consequences.

Canadian domain names will cease to operate unless fresh applications are filed before December 1, 2000 to keep them in force. Notices to this effect have been sent to registrants by electronic mail. However, registrants whose contact information is out of date may not have received the notice. For a list of registrars authorized by CIRA to

accept Canadian domain name registrations, visit www.cira.ca. The site also provides instructions on how to register a Canadian domain name.

The University of British Columbia restricts each registrant to one domain name. That limitation will be removed under CIRA.

The University permits only resident Canadians and Canadian corporations to obtain Canadian domain names. It further stipulates that only federally incorporated Canadian companies, or companies which could demonstrate a presence in more than one province, can obtain a “.ca” registration. Otherwise the domain name was required to be preceded by the provincial designation, such as “.on.ca” . CIRA will retain the limitation that only Canadian residents or those carrying on business in Canada may obtain Canadian domains. There was concern that if “.ca” were not limited to Canadians the domain could become the registry of choice for Californians and lose its association with Canada. However, all qualifying registrants will be able to obtain the “.ca” registration without the provincial prefix.

The Internet provides complete access to the UDRP. ICANN provides the UDRP and Rules, together with texts of the decided cases at <http://www.icann.org/en/udrp/udrpdec.htm>.

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