

DOMAIN NAME ARBITRATION

By: The Hon Neil Brown QC

The internet now controls so much of our lives that it is not surprising that it has thrown up a vast range of legal issues and, indeed, some completely new areas of the law. One of the most interesting 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, regrettably, 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. So domain names are important as the foundation of the internet. Moreover, they are progressively becoming more important as commercial and social contact between people comes to be concentrated on the internet and as domain names, as a form of personal property¹, become more valuable. So, although it was thought that disputes over domain names might decline in number over the years, there is still a steady flow of disputes and, if anything, these disputes are being fought with increased enthusiasm as the value of good domain names increases.

So the importance of domain names would suggest that lawyers should be familiar with the processes that are available to resolve domain name disputes and, in particular, the arbitration processes that are available. Thus, the purpose of this article is to give an introduction to the arbitration of domain name disputes. But the mention of arbitration leads me to say at the outset that traditional legal procedures through the law courts have always been, and still are, available when parties want to make a claim on a domain name. You are not obliged to use arbitration. Thus, parties may sue in the courts for trademark infringement, or make a claim under trade practices law, contract, passing off and other areas of the law if the subject of their complaint is a domain name, just as much as if it were a claim about anything else.

But there is a great advantage in using arbitration instead of litigation. First, as many cases concerning domain names are international in character, (as the internet itself is international) litigation over domain names had all of the pitfalls of international litigation: deciding who the defendant should be, locating it, serving it with documents, determining the governing law of the claim and of course enforcing the judgment if you obtained one, not to mention the delays and excessive costs involved in international litigation.

Accordingly, the internet had only been going for a few years when the view took hold that a separate arbitration forum was needed in which a specially tailored process could be applied to the unique nature of domain names. The result of those deliberations led in 1999 to the birth of the Uniform Domain Name Dispute Resolution Policy (the UDRP), a system of compulsory arbitration of disputes over the most prominent categories of domain names

¹ *Tucows Com v. Lojas Renner S.A.* [2011] ONCA 548

like .com (dot com), .info, .biz etc². At the same time, there developed similar dispute resolution processes for domain names issued under various countries' auspices, such as Canada, where .ca domain names may be arbitrated under the CIRA Policy³ and Australia, under the auDA Policy⁴.

However, resort to the law in national courts remained and still remains, but the UDRP and its various country-specific offshoots as in Canada and Australia quickly became the principal means of resolving domain name disputes and remain so today. As a rough rule of thumb, if all that you want is the domain name, and you want it by a quick and economical process, arbitrate, but that is all you can get under arbitration, but if you want injunctions and orders, damages or any other remedy, going to law in the appropriate courts is the avenue that has to be followed.

That being so, and as the UDRP is the major process for domain name arbitration, we should have a closer look at this process.

What is the UDRP?

The UDRP⁵ is an online system for arbitration of disputes about internet domain names. It is of course concerned solely with domain names, which are names that are used to identify a site or address on the internet and which enable the internet to function.

The parties to the disputes under the UDRP, who are called complainants, are trademark owners who claim that others, called respondents, have registered a domain name, have no right to have done so and have acted in bad faith in registering and using the disputed domain name. The disputes, therefore, are disputes about whether the party who registered the domain name had a right to do so and whether he or she acted in bad faith.

The UDRP has been remarkably successful and has become the pre-eminent method for resolving a domain name dispute; there have been court cases, but very few of them. But there have been about 40, 000 decided arbitration cases, all of which are posted on the internet, so a large body of experience has been built up. As the years have passed, the success of the UDRP has been due to the fact that it is a system comparatively free of legal complexity, conducted completely online, thus reducing travel, kept within strict time limits, a system that actually produces a result, quickly and economically, and a decision that is automatically enforceable and one that produces finality and closure. It does not award damages or provide for other orders like injunctions, but it results in an order for one of

² To this list must now be added domain names registered under the new range of Top Level Domains , like .quebec (dot quebec).

³ https://cira.ca/sites/default/files/attachment/policies/cdrppolicy_-_en.pdf

⁴ <http://www.auda.org.au/policies/>

⁵ <https://www.icann.org/resources/pages/policy-2012-02-25-en>. Sometimes, in domain name circles, the UDRP is referred to simply as "the Policy" and on occasions I will use that expression in this article.

three results: the transfer of the domain name to the complainant if the complainant has won the case, the cancellation⁶ of the domain name if the complainant has won, but is content just to have the domain name cancelled, or an order that the claim be dismissed with the domain name remaining in the ownership of the respondent.

How does the UDRP come to be compulsory?

This is the question that lawyers always ask and it is an important one because it answers the other question: how does the arbitrator obtain his or her jurisdiction? The answer lies in contract law. When you buy a domain name through a registrar like Go Daddy and you press the “Submit” button, you are binding yourself to an agreement with the registrar that includes the compulsory arbitration process, i.e., the UDRP, mandated by the Internet Corporation for Assigned Names and Numbers (ICANN), the non-profit company that in effect runs the domain name system from Los Angeles. ICANN makes it a condition of buying a domain name that the contract under which you acquire the domain name includes the approved dispute resolution process, the UDRP. ICANN also has another important role, namely that it supervises accredited registrars who sell domain names and if an order to transfer a domain name is made by an arbitrator, the registrar must comply with it or be at risk of losing its accreditation from ICANN. It is a very persuasive inducement.

How does the system work?

A trademark owner has a complaint, for example that it has a trademark for FORD that it uses to sell motor vehicles. It 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 from Ford. 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 five providers of UDRP arbitration services⁷. The provider serves the claim by email on the party who has registered itself as the owner of the domain name⁸, waits to see if it files a Response and then chooses an arbitrator from its list or panel of arbitrators⁹. The arbitrator considers the papers, the evidence put in by both sides and the submissions they make, 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 of course the claim is dismissed, in which case the *status quo* remains and the registrant of the domain name keeps it. If the order made is for transfer or cancellation of the domain name, there is a period of grace of 10

⁶ Not many claimants ask for cancellation, as a cancellation means that the unsuccessful respondent could simply turn around the next day and register the same domain name again, if it is quick enough.

⁷ The World Intellectual Property Organisation in Geneva, the National Arbitration Forum in Minneapolis, (now Forum), the Asian Domain Name Dispute Resolution Centre at various Asian centres, the Czech Arbitration Court in Prague and the Arab Centre for Dispute Resolution in Amman, Jordan. .

⁸ The registrant.

⁹ 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.

days before the domain name is transferred or cancelled, so that the unsuccessful respondent may institute court proceedings to have the order set aside. There is at least one such case underway at the present in a US court.

What law is applied in resolving the dispute?

The arbitrator is required to apply ICANN's Policy and Rules¹⁰, one provision of which deserves particular attention, for it requires the panel of arbitrators to apply the Policy and Rules and "... any rules and principles of law that it deems applicable." This very broad power is often used, for example, when the parties in dispute are American parties, to apply the US Lanham Act on trademark law and it also gives rise to some interesting issues such as whether it is wide enough to enable the arbitrator to apply equitable principles, like laches¹¹ and acquiescence.

What has to be proved?

As has just been noted, the role of the arbitrator or panellist is to apply ICANN's Policy and Rules¹² on domain names to see if they have been complied with or broken. It is this Policy that tells us if the registrant has a right or legitimate interest in the domain name or not and whether it has registered and used the domain name in bad faith. It is here that the real fight takes place and not only if the case is defended, as there are certainly cases where, although the claim is undefended, it has not been proved and the complainant has lost the case.

So, what do you have to prove to win? The Complainant must prove 3 elements before it can have a domain name transferred to it or cancelled. It is very important to understand that all three of these elements have to be proved and if you fail on one of the three, you will lose the case. The three elements must also be proved, i.e. by evidence; a frequent failing in these cases is where parties and their legal advisers simply make assertions, rather than prove facts by evidence. Also, being a civil case, the proof must be on the balance of probabilities.

The 3 elements that must be proved are:

- (i) That the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; *and*
- (ii) The party who has the domain name has no rights or legitimate interests in it; *and*

¹⁰ www.icann.org/en/udrp

¹¹ An issue that is presently subject to debate, due to the longevity of some domain names now being made the subject of claims.

¹² The Rules are applicable to all disputes, no matter which of the 5 providers is used. In addition, each of the 5 providers has its own set of Supplementary Rules that provide more specific rules for dealing with cases by that provider and covering matters such as the file size of electronic communications and filings.

- (ii) That the domain name has been registered and is being used in bad faith.

Let us look at each of these three elements in turn.

The first element

THE TRADEMARK

The Complainant first has to prove that it has a trademark. So the arbitration avenue under the UDRP procedure is open only to parties who have a trademark¹³. The trademark may be registered in any country, even if not in the registrant's (i.e. the Respondent's) country. The trademark may be a registered or an unregistered common law trademark; you would be surprised at the number of companies that do not have a registered trademark over their company name or the names of their products and it is just as well, for them, that unregistered trademarks are allowed. This is also true of some celebrities who, like Hillary Clinton¹⁴, did not have a registered trademark and had to prove (not just assert) an unregistered or common law trademark, unlike Madonna and others who do have registered trademarks over their own names.

The first element requires the panel or arbitrator¹⁵ to 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 the way I have often expressed it is to ask if a reasonably informed bystander, presented with the text of the domain name and also with the trademark, would think that they were the same, 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 GO¹⁶ as they both contain the same words. To take a less obvious example, the domain name <delltechnologies.com> is clearly not identical to the trademark DELL, as they contain different words, but it is confusingly similar to it. Why? Because everyone knows Dell is a technology company, so when the word Dell is put in juxtaposition with the word "technologies" in the domain name, it is probable that the person who created the domain name was trying to suggest an association with the Dell company¹⁷. Sometimes, however there are real disputes and they can be hard to decide. If a

¹³ Note that this is the requirement of the UDRP. It is not the requirement under some of the country code dispute resolution procedures, like the Australian one, where it is sufficient if the complainant holds a trademark, company name or registered business name.

¹⁴ *Hillary Rodham Clinton v. Michelle Dinoia a/k/a SZK.com*, NAF Case No.: FA0414641 (2005).

¹⁵ I use these two descriptions interchangeably

¹⁶ *On The Go Technologies Group v. ONTHEGO InternetSolutions In.*, WIPO Case No. D2006-1060

¹⁷ *Dell Inc. v. Pateh Mbowe*, WIPO Case No. D2004-0689

disgruntled ex-employee of the Chubb company registered the domain name <chubbsux.com>, is the domain name confusingly similar to the trademark CHUBB?¹⁸

The important thing to remember about this test is that there must be a straight comparison between the domain name and the trademark, without having regard to other extraneous features, such as looking at the website the registrant has created for its domain name, to see how the domain name has been used and whether the site has content on it relating to the trademark owner.

The second element

NO RIGHT OR LEGITIMATE INTEREST IN THE DOMAIN NAME

The complainant then has to prove that the person who registered the domain name has “no rights or legitimate interests in (it)”, i.e. in the domain name.

The general approach of arbitrators on 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 that *prima facie* case has been made out, the onus of proof then 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, that it, the trademark owner did not consent to this being done, that the domain name is not the same as the registrant’s own name 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 its website is the trademark owner’s website. The complainant trademark owner will then leave it up to the registrant, if it defends the case, to try to rebut the *prima facie* case against it. What this second element is trying to get at is whether there is some valid and plausible reason why the registrant registered the domain name or whether it was out to cause trouble, or make money through blackmailing the trademark owner or by selling counterfeit goods or pornography. The Policy in fact suggests some ways in which the registrant may rebut the onus of proof, (for example, that the domain name is the same as the registrant’s own name) although the registrant is not limited to those grounds and may prove some other form of right or legitimate interest. Let us look at a few of specified grounds.

The domain name registrant may succeed by proving¹⁹, say by a statutory declaration 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 known²⁰, as in the case of the fortunately named Mr. A R Mani, who had the foresight to register (and hold onto) the domain name <armani.com>, much to the annoyance of the

¹⁸ *Chubb Security Australia PTY Limited v. Mr. Shahim Tahmasebi*, WIPO Case No. D2007-0769.

¹⁹ Paragraph 4(c)(i) of the Policy.

²⁰ Paragraph 4(c) (ii)

Georgio Armani company²¹. You may also show a right or legitimate interest in a domain name if it is used for a genuine criticism site²², or a fan site to promote the qualities of your favourite film star or author, although it must be remembered here, as elsewhere, that you will have to prove this by evidence.

But the area where, in my experience, the real fights over domain names take place is where the domain name is a generic or common dictionary word and a complainant trademark owner comes along, perhaps years later, to say 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. It is probably best for you to look at some of the decisions on this controversial topic to see the outcome of such cases and why they have been decided one way or the other.²³

The third element

BAD FAITH

The third element that must be proved by the Complainant is that:

“(iii) your domain name has been registered and is being used in bad faith.”

Note the conjunctive “and”, as both registration in bad faith and use in bad faith must be proved. Here again the Policy sets out some examples of bad faith, but a complainant may rely on evidence of any other factor to show bad faith, even if it is not one of the examples given in the Policy. It is very important, however, to remember when relying on any such additional factor that it also must be proved by evidence and not to use mere assertions. The examples given in the Policy²⁴ are, first, where the domain name was acquired *primarily* for the purpose of re-selling 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 (say in the case of a domain name being

²¹ *G.A. Modefine S.A. v. A.R. Mani*, WIPO Case D2001-0537

²² *Sutherland Institute v. Continuative LLC*, WIPO CaseNo.D2009-0693

²³ See, for example, the cases mentioned in this extract from *LiveOne Group, Ltd. v. Kim KwangPyoMediaBlue Inc.* NAF: FA1210001467218; (Dec. 10, 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).”

²⁴ See Policy, paragraph 4(b), for the details.

used to bypass an authorised seller of tickets for an event, so that internet hits end up not with the authorised seller, but with with an illegal ticket scalper); or, fourthly and more frequently, where the domain name causes confusion by actively misleading internet users as to whether the site to which they are diverted is an official website authorized or approved by the trademark owner²⁵, a practice which is sometimes used to give the impression that the website is official, but used to sell counterfeit or illegal goods like pharmaceuticals. Proof of any of these criteria will be good evidence going to show, if all of the evidence is up to scratch, that the domain name was registered and used in bad faith.

It is often overlooked, but very important, that what has to be shown here is *bad* faith, clearly conduct worthy of rejection, conduct that is reprehensible or, as the internet dictionary puts it, “lack of honesty or trust” 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 Inc. v. Alex Jones*, WIPO Case No. D2000-0998. Young Alex Jones is a Legend of Zelda fan and registered the domain name <legendofzelda.com> to promote the video game. But he was praising the story and characters, not denigrating them and he was really doing Nintendo a big favour by promoting it. So the panelist wisely decided that this was not bad faith; it was really good faith!

If the complainant succeeds in proving these three elements, it will obtain an order from the panelist that the domain name be transferred to the complainant. 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. In those cases, the panelist may make a finding that the complainant has engaged in what is called Reverse Domain Name Hijacking, a finding that complainants and their legal advisers understandably do not like being made against them.

The Outcome

Most UDRP cases are won by the Complainant, in part because most of them are undefended. But the Rules make it clear that even when the case is undefended, the Complainant still has to prove its case. Indeed, every now and again I read the decision in a case that was undefended and where there were no submissions from the Respondent and yet the Complainant has failed to prove its case and the Respondent has prevailed. It is therefore very important as a complainant to ensure that you adduce evidence to prove every element that must be proved.

The Interface Between the UDRP and the Canadian Policy

²⁵ See *Harbord Real Estate v. Austin Robinson*, WIPO Case D2006-0418

As I hope I have explained, the UDRP is a policy framework applying to the broad range of domain names issued by ICANN accredited registrars, which are the well known .com, .info, .biz etc. It is also used for domain names issued under the new Top Level Domains, for example, domain names issued under .club, .Quebec or .accountants etc. However, there are also country-code top-level domains, such as .ca for Canada and .com.au for Australia. The dispute resolution process for country code domain names is determined by the manager of that sector. Some simply adopt and apply the UDRP. Others such as Australia have their own policy, but it is largely the UDRP with a few limited but important variations, such as not requiring a trademark to establish standing to bring a claim, but permitting a name or registered company or business name to be sufficient. Also, instead of requiring both registration and use in bad faith to be proved, either registration or use in bad faith is sufficient to prove bad faith. In the case of Canada, the Policy is the CIRA Domain Name Dispute Resolution Policy, which applies to domain names ending in .ca (dot ca). So it is important, if you are about to make a claim for a domain name on behalf of a client, that you use the UDRP (through one of the 5 providers mentioned above) if it is a .com or similar, but the CIRA policy if it is a .ca domain name. If the respondent has registered two or more domain names and one of them is .com, but the other is .ca, you will have to file separate complaints.²⁶

If the claim is solely for a .ca domain name (or names) the CIRA Policy has the following notable differences from the UDRP:

1. The Complainant under the CIRA Policy must prove that the domain name is confusingly similar to the Complainant's trademark; it is not sufficient if it proves that the domain name is identical to the trademark if it is not also confusingly similar to it. The Complainant must also have had trademark rights prior to the registration of the domain name.
2. The Complainant must show that the Respondent has no legitimate interest in the domain name; the additional feature of the UDRP that it must be shown that the Respondent has no "rights" in the domain name is not a requirement of the CIRA policy.
3. The Complainant under the CIRA Policy need show only that the domain name was registered in bad faith, not that it was both registered and used in bad faith. This is of great significance, as it means that a domain name registered in bad faith is liable to be transferred under the CIRA Policy even if it has not subsequently been used in bad faith. If the claim were made under the UDRP, the Complainant has to prove that the domain name was both registered and used in bad faith.

²⁶ A mistake is sometimes made in the US where the one respondent has registered a .com and also a .us domain name, both of which seem to be an attempt to copy the same trade mark and the complainant tries to include them both in the one complaint under the UDRP. It has then had to abandon the claim for the .us, which must be made in a separate claim under a different policy from the UDRP.

4. The criteria under the CIRA Policy for showing that the Respondent has a legitimate interest in the domain name are more extensive than those in the UDRP, thereby giving greater potential rights to a domain name holder. In particular, if the domain name is “clearly descriptive” or “generic”, the Respondent will be in a stronger position.
5. The criteria for proving bad faith registration in the CIRA Policy are similar to the criteria for bad faith in the UDRP.
6. There is a practical difference drawn in the CIRA Policy between proving the various elements. The Complainant “must prove” confusingly similar and bad faith, but with respect to legitimate interest, the Complainant need only “provide some evidence” showing that the Respondent has no legitimate interest in the domain name, an interesting distinction.
7. The finding of Reverse Domain Name Hijacking available under the UDRP is not available under the CIRA Policy; but something that respondents may regard as more valuable is available to them if they succeed against a complainant who has brought the complaint in bad faith. The panel may in effect award the respondent up to \$5000 for its costs.

Finally, I reiterate the importance of evidence in all proceedings. Assertions are not enough and I have seen many a domain name cases lost simply because parties or their advisers did not adduce evidence that was almost certainly available to them to prove their case.

I should add that the cases I have handled through the British Columbia International Commercial Arbitration Centre have been dealt with promptly and with a high degree of professionalism. Those contemplating bringing a domain name case may rest assured that they will be in good hands at the BCICAC.

There is a lot more to write about. I try to keep a record of developments in this field, including the all-important and knotty procedural issues, on the website at www.domaintimes.info at which you might like to look. In the meantime, have a look at the valuable resources on the websites of the 5 providers of arbitration services in this field and also the website of ICANN at www.icann.org.

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