

Domain Name Dispute Resolution with the UDRP

| by Lance Hue Joon Lip |

Internet domain names are valuable assets when they are also well-known trade names and brands. Cyber squatters exploit this by registering such domain names in the hope of being bought out by the owners.¹ Initially, the only law available for the protection of domain names was the same as that protecting trademarks and brands; basically, the law relating to trademarks. Such law was different for each country and challenging domain names was a complicated exercise for the owners as they had to select jurisdictions in which to enforce their rights. Because of the jurisdictional issue, this came to be known as the “trademark dilemma”.²

Following an initiative by the US government in the White Paper,³ ICANN⁴ eventually developed a dispute resolution policy called the UDRP.⁵ Since then, each applicant for a

domain name has had to agree to be bound by the UDRP as part of its contract with the domain name registrar.⁶ Approved providers⁷ are appointed by ICANN to manage domain name disputes under the UDRP.

The implementation of the UDRP has so simplified the process of resolving domain name disputes that owners have become likely to buy out cyber squatters. Lawyers are not required in the process, but legal advice can be valuable to enhance the chances of success of the claim.⁸

The UDRP Proceeding

One of the approved providers is the ADNDRC,⁹ which has an office in Kuala Lumpur. The steps described here are based on the UDRP rules and the supplemental rules of the ADNDRC. No personal appearance is required under normal circumstances and the dispute is resolved based on written evidence submitted online or by email.¹⁰

The owner lodges a complaint by submitting a Form C¹¹ online or by email and paying the prescribed fees.¹² The ADNDRC will then run the complaint through a compliance

1 Case No D2002-1039 — *Microsoft Corporation v Andrey Tumakov* (microsoft.com); Case No D2002-1024 — *V Secret Catalogue, Inc, Victoria's Secret Direct, LLC & Victoria's Secret Stores, Inc v Insun Choi* (victoriasscretkorea.com); Case No KLRCA I/PFC-332-2015 — *Genting International Management Limited v Zheng Jie* (gentingsingapore.org and gentingsingapore.net)

2 <<https://www.icann.org/resources/unthemed-pages/white-paper-2012-02-25-en>> (accessed on 24 February 2017)

3 *Ibid*

4 Internet Corporation for Assigned Names and Numbers, a non-profit organisation responsible for Internet domain names <<https://en.wikipedia.org/wiki/ICANN>> (accessed 27 February 2017)

5 Uniform Domain Name Dispute Resolution Policy

6 Examples are GoDaddy, 101Domain and Instra Corporation

7 The first approved provider was the World Intellectual Property Organization (“WIPO”), followed by National Arbitration Forum in the US. The subsequent approved providers are the Czech Arbitration Court Arbitration Center for Internet Disputes, the Arab Center for Domain Name Dispute Resolution and the Asian Domain Name Dispute Resolution Centre

8 Some trademark law issues can be relevant for the claim

9 Asian Domain Name Dispute Resolution Centre

10 Unless the panel deems it necessary, the panel can exercise its discretion to request parties to appear in person for hearing, which is extremely rare

11 Information required:

- (1) the disputed domain name;
- (2) complainant's contact details;
- (3) respondent's contact details;
- (4) authorised person's contact details;
- (5) registrar's details;
- (6) WHOIS record;
- (7); any legal action initiated prior to the complaint;
- (8) any trade mark owned with details;
- (9) remedy sought;
- (10) number of panellists;
- (11) jurisdiction to challenge the decision of panellist if not favourable;
- (12) a copy of the registration agreement of the domain name registrar.

12 The fee depends on the number of panellist selected by the complainant and the number of domain names involved and it is solely borne by the complainant unless the respondent opts to have a three-member panel whereas the complaint only opts for a single-member panel, the cost will have to be shared equally.

check against the rules and the supplemental rules. More than one disputed domain name under the same registrant can be included in the same complaint.¹³

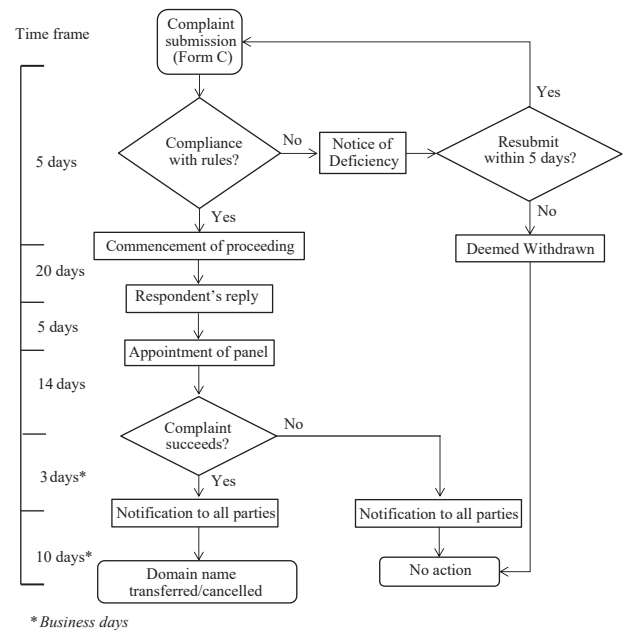
In many cases, the real identity of the registrant is not always disclosed in the WHOIS¹⁴ database, as domain name registration is often bundled with a proxy service. On receipt of the complaint, the ADNDRC has power to obtain the registrant's details and these will be provided to the complainant.¹⁵ The complainant must then resubmit the complaint with the proper registrant's details within five calendar days¹⁶ or the complaint will be deemed withdrawn. The ADNDRC then locks the domain name to prevent any transfer or sale of the domain name pending resolution of the dispute.

The registrant is given 20 calendar days to respond to the complaint.¹⁷ On the receipt of a response or at the expiry of 20 calendar days, the ADNDRC will appoint a panel¹⁸ within five calendar days.¹⁹ The panel must arrive at a decision and forward it to the ADNDRC within 14 calendar days²⁰ from the date of appointment and the ADNDRC will notify all parties of the decision within three *business days.²¹ The decision will also be published on the ADNDRC website.

On receipt of the decision, the domain name registrar will fix and communicate a date for implementation of the decision to all parties.²²

If the registrant does not file a response, the panel may decide the case based on the evidence submitted by the complainant and draw such inferences as it deems fit over the registrant's failure to respond in time.²³ It follows that the registrant's failure to reply is not a guarantee of success for the complainant. The panel will still consider whether all the grounds for claim are properly established before rendering its decision.

The UDRP Proceeding with the ADNDRC



Grounds for complaint

The complainant must establish that:

- (1) the domain name is *identical or confusingly similar* to its trademark or brand;
- (2) the registrant has *no right or legitimate interest* in respect of the domain name; and
- (3) the domain name has been *registered* and is being *used in bad faith*.

Identical or confusingly similar to its trade mark

The complainant must first establish its rights to its trademark or brand. There is no requirement that the trademark or brand must be registered. Goodwill acquired in connection with the trademark or brand can support a

13 Rules for the UDRP, r 3(c)

14 It is a query and response protocol used to retrieve registration information of a website

15 At the cost of the complaint fee, anybody can obtain the registrant details

16 Rules for the UDRP, r 4(d)

17 Rule 5(a). In exceptional circumstances, the respondent may apply to the ADNDRC for extension of time to reply (r 5(e))

18 The panel may have one member or three members at the option of the parties

19 Rules for the UDRP, r 6(a)

20 Rule 15(b)

21 Rule 16(a)

22 The implementation date will normally be 10 business days from the date of notification by the registrar

23 Rules for the UDRP, r 5(f)

case. In numerous decisions, a domain name that wholly incorporates a complainant's trademark has been held sufficient to establish confusing similarity.²⁴ If the domain name is not identical, the complainant is required to prove confusing similarity.

Until recently, the gTLD²⁵ had not been regarded with much importance by the UDRP panels.²⁶ Given the increase in the number of gTLDs and many gTLDs taking on a specific meaning on their own, the panels will now take into consideration the gTLD of the particular domain name. If the gTLD²⁷ is relevant or descriptive of the complainant's business, it will support the case.

No right or legitimate interest

Once the complainant's rights to its trademark are established, the registrant has to justify its rights to own the domain name; a bare denial of the complainant's rights will not be sufficient.

Under the UDRP, the first person to register is, by default, the owner of the domain name. If the registrant is able to provide some form of evidence of legitimate use, the panel is likely to decide in their favour even if the complainant has a well-known and reputable business under such a name. In 2001, *Société des Produits Nestlé SA*, owner of the registered trade mark "MAGGI", lodged a complaint claiming the rights to "www.maggi.com". Their complaint²⁸ was dismissed because:

- (i) prior decisions have recognized that an individual has a legitimate interest in a domain name that correspond to that person's name;
- (ii) the chairman and majority shareholder of the named respondent is Romeo Maggi and this was known to the complainant since representatives of the complainant met with Romeo Maggi personally;

- (iii) the domain name was registered for personal rather than business use;
- (iv) Romeo Maggi subsequently submitted documentation to identify himself as the registrant; and
- (v) there is no reason to believe that the respondent was merely using the name of an officer or employee as a pretext to trade on the rights of another.

The panel did not deny that the "MAGGI" mark was well-known in the world. However, since the registrant had shown a legitimate and *bona fide* interest in the use of the domain name, the "first to register" principle applied. If the domain name consists of common words, it will be more difficult to go against the "first to register" principle. The exception to this would be a common word that is associated with substantial goodwill, such as the "Apple" brand that belongs to Apple Inc.

Bad faith

Under the UDRP rules, the following circumstances, without limitation, are identified as evidence of registration and use in bad faith:

- (i) primary purpose of registration is to resell to the trademark owner or a competitor;
- (ii) recurring pattern of registration to block a trademark owner;
- (iii) registration primarily to disrupt a competitor's business;
- (iv) registration with intent to attract internet traffic for commercial gain by creating confusion.

24 *Dr Ing. h.c. F. Porsche AG v Vasilij Terkin* WIPO Case No D2003-0888

25 Generic top-level domain such as '.com', '.org' and '.net'

26 *Bloomberg Finance, LP v Huang Wei* Case No D2015-1378

27 For example, ".club" — for association; ".bet" — for gambling and casino business; and ".news" — for newsagent

28 *Société des Produits Nestlé SA v Pro Fiducia Treuhand AG* WIPO Case No D2001-0916

The UDRP panels have felt compelled to construe use in bad faith as a requirement separate from registration in bad faith. One panel²⁹ construed an offer to sell the domain name as use even if that had been the only use. Another panel³⁰ held that inactivity could constitute use in bad faith if the following factors were present:

- (i) the trademark involved is well-known;
- (ii) there is little or no evidence of good faith use, as where the registrant fails to respond to the complaint;
- (iii) there is attempt to conceal identity such as by using a proxy service;
- (iv) provision of false contact information by the registrant.

These factors indicate that no plausible use could be legitimate and therefore it must be in bad faith.³¹

Remedies

Only two remedies are available under the UDRP. The successful complainant can either have the domain name transferred or cancelled. The UDRP does not provide for monetary claims. If the complainant is seeking monetary compensation, it has to commence a civil suit.³²

More often than not, a complainant would opt for the domain name to be transferred. As long as the domain name remains registered, it will prevent third parties from misappropriating it again.

Cancellation is not the preferred option because the domain name will be made available to the public for purchase.³³ If the domain name is registered again, a fresh UDRP complaint with the prescribed fee has to be submitted as there is no way of protecting an unregistered domain name.

Issues in the UDRP proceedings³⁴

Dispute resolution under the UDRP is unlikely to satisfy the expectations of every complainant. The body of decisions under the UDRP will not be free from inconsistencies given:³⁵

- (1) there is no requirement that the panel must refer to any previous decisions;
- (2) members of the panel are from too varied a range of background and jurisdictions;
- (3) each jurisdiction offers its own interpretation of rules and terms, such as “use” and “bad faith”.

Although not perfect, the current UDRP procedure has, at the very least, substantially reduced the cyber squatter problem.

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About the author



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29 *World Wrestling Federation Entertainment, Inc v Michael Bosman* Case No D99-0001

30 *Telstra Corporation Limited v Nuclear Marshmallows* Case No D2000-0003

31 *Ibid*, para 7.12

32 The suit will have to be initiated in the jurisdiction where the respondent resides

33 After two to three months. It depends on the procedures of the domain name registrar.

34 “Analysis of Key UDRP Issues”, <<http://cyber.law.harvard.edu/udrp/analysis.html>> (accessed 10 February 2017)

35 *Ibid*