UDRP

Uniform Domain Name Dispute Resolution Policy

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Agenda

- The practical importance of the UDRP
- Applicable disputes: What is „covered"?
- Important elements
  - Identical/confusingly similar
  - Rights or legitimate interests
  - Registered and being used in bad faith
  - „and" vs. "or"
- Procedural aspects
- Costs
- Special advantages
- Criticism

Basic idea

- An international arbitration procedure (not an international court!)
  - Introduced by the ICANN
  - Mandatory for certain TLDs
    - All gTLDs (.com, .org, .name, .info, …)
    - Some ccTLDs; partially with some modifications
  - Approx. 2000 proceedings per year
  - Independent of all national legal systems
    - Not only content (substantive law) but also procedure (procedural law) is specified explicitly and the same for the whole world
- Consent to accept this jurisdiction takes place through registering a domain name under an “affected” TLD
  - Otherwise arbitration procedures are entirely volunatrily!
- Guaranteed implementation of judgement through the registrars

Disputes decided

- Only a very restricted subject area is covered:
  - But this is practically important and common!
  - Disputes regarding a domain name and a mark
    - It need not be a registered mark:

      Not every country does have (solely) registered marks
    - „Common law" marks are possible as well (unregistered)
      - Right on a name through use and being known under it
      - This is possible even there (for UDRP only!), where registration is obligatory!
  - The domain name and the mark must be identical or confusingly similar
  - The domain owner has no right and no legitimate interests
  - The domain name was acquired in bad faith
  - The domain name is being used in bad faith

Possible outcomes

- These are very restricted/few! Possible are solely:
  - Cancellation of the domain name
  - Transfer to the complainant
  - No activity (remains with current owner)

Winning

Losing

- Not possible are:
  - Damages of any kind
  - Compensation for costs of this arbitration procedure
  - Penalties
- The UDRP does not exclude court proceedings!
  - To verify the decision or for any other subject content (e.g. name law, unfair competition, different kinds of disputes regarding marks)
  - To obtain compensation of costs, damages, or anything else

Identical / Confusingly similar

- Comparison **without** the content of the website
  - Only the domain name itself is relevant
    - Not unfair competition, but the law of marks!
- Therefore it is (here!) irrelevant, for which class the mark has been registered
- "Negative" domain names: "*-sucks.com"
  - Similarity exists for these as well
    - Negative connotation is not necessarily immediately apparent as such
      - Examples: Different language, slang, …
    - Other opinions exist for this as well (not uniformly accepted)!
  - Problem must be solved on a different level (e.g. “legitimate interests” like criticism)
- Typical cases: Mistyping, additional letters, added characters ("-", "_", "."), combinations (mark+product, mark+generic word), …

Rights in the mark

- Can be a product or service mark (irrelevant)
- Obtained through registration or use
  - Use: Known for certain products, services or the complainant
    - Even if only in a small geographical area (not world-wide necessary)!
    - Claiming “use" is possible even in countries where such marks do not exist!
      - Example: Austria has only registered marks. But UDRP complaints were successful where a name was only known through use → mark for UDRP!
- The time of registration is of no importance
  - But see “bad faith” at the time of registration!
    - Mark was registered after domain name registration → bad faith very difficult!
- Names of persons can be sufficient in some circumstances
  - If the name is used for selling products then a “mark through use” may exist
  - Merely being a famous name is not enough!
    - Except of course if it has been explicitly registered as a mark

Legitimate interests

- Only an exemplary list in the UDRP!
  - Use for bona fide offeringd before any notice of the dispute
    - Or demonstrable preparations for this
    - Typical: Sellers of used goods
  - Respondent is commonly known as an individual, business or organization by the domain name, even if no trademarks or service marks exist
  - A legitimate non-commercial or fair use of the domain name exists
    - No intent for commercial gain to misleadingly divert customers
    - No tarnishing the mark
    - Examples: Criticism, parody, fan pages etc.
      - Attention: Hotly disputed, what/to what extent/only mark+addition/…!
- The complainant must plausibly show that no legitimate interests exist
  - Only then the domain owner must prove that legitimate interests exist

Bad faith registration

- Examples for bad faith registration:
  - Registration primarily for the purpose of selling it to the complainant for valuable consideration in excess of documented out-of-pocket costs directly related to the DN
    - Or: Renting/otherwise transferring; to a competitor of the complainant
  - Registration to prevent to owner of the mark from reflecting it in a corresponding DN, but only if engaged in a pattern of such conduct
    - Registering all/numerous possible variations
  - Registration primarily for the purpose of disrupting the business of a competitor
- Specific aspects:
  - The mark must have been known to the respondent at the time of registration
    - Only in special circumstances (knowledge of impending mark registration) exceptions are possible
  - The relevant point in time is when acquiring the DN
    - New registration or buying (not: renewal/yearly fees!)

Bad faith use

- Examples for bad faith use:
  - Attracting users to your site for commercial gain by creating a likelihood of confusion of mark regarding to your site (affiliation, sponsorship, ident. layout+color scheme, …)
  - Generating traffic to your site
    - Persons looking for some product being diverted to porn
  - Offering to sell the DM to the public/mark owner/competitors of the mark owner
- Passive holding: No use, no offer for sale, …?
  - Can still be bad faith use
    - No answer to communication, incorrect contact data, famous mark (?) etc.
- Settlement offers during proceedings are the same as offers for sale before
- Disclaimer: Does not help against bad faith use
  - Used as a hint that the mark was/is known
  - May even be construed as a hint towards bad-faith use itself

“and” vs. “or”

- According to the UDRP bad faith registration and bad faith use is necessary
  - Not all decisions are doing this in practice and effectively use an “or”
    - Although claiming to an “and” in legal argumentation!
  - Alternative: Use the same facts/evidence to justify bad faith registration and use
    - Common: “No legal use is conceivable"
      - This is an **extremely** weak argument…
  - Also common: Merely doing nothing = bad faith use
    - Generally possible, but requires at least something in addition!
- This should be taken seriously (or the UDRP must be changed!)
  - Example: Dispute resolution for .eu: Expressly stated as "or"!
  - The UDRP was the first, and therefore simply does not cover all problems
    - For everything else (and this is much anyway!) → Normal courts

Procedural aspects (1)

- Not participating in the proceedings: Default judgement?
  - Participation of the respondent is not necessary for the start/continuance/completion
  - This is **not** sufficient for automatically losing!
  - The complainant must still rpove all elements (or make pausible; prima facie)
    - These are **not** automatically to be seen as correct and truthful!
  - Panel may draw negative conclusions from not participating
- Language of the proceedings is the language of the registration agreement
  - Using a Korean registrar → Korean language in proceedings!
  - Exception now possible in certain cases (agreement by parties, specified in reg. agreement, panel may determine a language)
- The panel may investigate themselves
  - Additional submissions are possible only in exceptional circumstances
- A resumption of previous proceedings is not possible
  - In some special cases a new proceeding is possible
    - E.g. perjury, new situation, evidence which was provably inaccessible before, …

Procedural aspects (2)

- Changes in force since March 1st 2010: eUDRP Rules
- All submissions must be done electronically
- No delivery on paper any more, only that a proceedings has been started
  - Fact of the proceedings, but not the complaint, … itself (no content)
    - Sent to all postal and fax addresses in the WhoIs-Record!
      - Owner, Tech-C, Admin-C and invoice recipient (as disclosed by the registrar)
- All further communication takes place exclusively electronically
  - To all E-Mail addresses of … (see above)
  - postmaster@<domainname in the proceedings>
  - If www.<domain name in the proceeding> exists → All E-Mail addresses that can be found on this web site

Costs

- 1 Panelist: US$ 1500 (1-5 Domain names)
- 3 Panelists: US$ 4000 (1-5 Domain names)
- All these costs are solely born by the complainant
  - Unless the domain owner insists on a three-person panel: 50:50 split
  - Everyone must pay their own representation costs (attorney fees, investigation, …)
    - Regardless of the result, i.e. the winner always pays his own costs himself!
- In a later national court proceeding these costs might be recovered!
  - E.g. AT: As this is no “real” arbitration (where costs must be assigned in the arbitration proceeding itself or cannot be recovered) as court proceedings afterwards are possible

Advantages of the UDRP

- The proceedings are very quick
  - Typically a decision between 45 and 60 days after start
- The costs are very cheap
  - Both compared to court proceedings and on an absolute scale!
  - Lawyers are not necessarily required (no obligation; success possible without)
- The arbitration always takes place
  - Consent already when registering a domain name
  - If the domain owner is unreachable, it still takes place
- The result is guaranteed to be implemented; and on a fast schedule
  - Except: Court proceedings after the arbitration
  - Except: Change of ownership during proceedings
    - Attention: Many registrars offer a “waiting state”, “on hold”, … to prevent exactly this problem!

Criticism

- Very small subject area: Fraction of the law of trade-/service marks
- "Forum-Shopping"
  - The Panelist (=judge) is selected by the dispute resolution provider
    - It will select panelists which are IP-friendly
      - Decisions in favour of mark owners will lead to more proceedings
    - Domineering dispute resolution provider is the WIPO
      - WIPO = World Intellectual Property Organisation
  - Not everyone can become a panelist (decision of the dispute resolution provider!)
    - Typical: Attorneys specialized on IP law
- No higher instance (no appeal/…)
  - No unification of decisions
    - Some few decisions are **extremely** “curious” …
  - But national courts are still possible afterwards!
  - This would mean instituting a completely international court system …

Summary

- Very useful and accepted, especially by mark owners
- Takes care of some obviously illegal registrations
- Use court proceedings only, if such a complaint fails
- Practical hints:
  - Prepare your complaint in detail: Usually no additional information possible
    - All evidence (mark registration, screen shots of website, …) must be in there!
  - Do not forget to put the domain name on hold if possible
  - Be sure to offer to buy the domain name cheaply (≈ 500 €) before a complaint
  - When receiving a complaint, always respond with substantial information

Thank you for your attention!

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