

RESOLUTION OF DOMAIN NAME DISPUTES THROUGH ADR - IMPACT OF WIPO'S INITIATIVE TOWARDS eUDRP

I Introduction

THE MAGNIFICATION of e-commerce has given means to various businesses to exist in the world wide web (www). The development in e-commerce has brought many non-business entities to be born in the internet era. The potential to expand beyond the boundary has made every kind of business like B2B, B2C, C2C, C2B, G2B and G2G to be present in the galvanized www.

With the fast growth of internet and e-commerce the uncertainties involving the jurisdiction, applicability of laws and their enforcement are the prime concern for the parties. The transnational scope of the e-commerce related disputes would bring with it, many problems of logistics of papers and counsels with that of parties, which is not very encouraging. Such a costly affair of litigation sounds to be impossible and has thereby compelled the policy makers to bring in something efficient and cost effective decisions by avoiding the cumbersome proceedings of the conventional courts and providing simple dispute resolution system.¹

The increase in the number of businesses in the virtual world has increased the number of participants in the online transactions that have in turn augmented the disputes.² Similar to the real world disputes, even in the virtual world, various classifications of disputes arise. Few common disputes that are widespread are breach of contract, frauds, defamation, invasion of privacy, personal injury, financial loss, emotional distress etc. Most of these disputes are cross border disputes. Other than the above disputes, the intellectual property rights are also one of the most affected

1 Christopher Gibson, "Digital Dispute Resolution, Internet Domain Names and WIPO's Role" *available at* <http://ssrn.com/abstract=1103113>, (visited on March 20, 2010).

2 Sylvia Kierkegaard, "Online Alternative Dispute Resolution , EU Electronic Commerce Law, 2004" *available at* <http://ssrn.com/abstract=1162355> (visited on March 11, 2010).



claims. The intellectual property rights like trade marks, copyrights, and patent disputes are common in the virtual world. Though international principles and the territorial laws for protection of these rights are well in place in most of the countries,³ the same are either extended or further amended to meet the requirements of the virtual world. Amongst all the intellectual property rights, the highly disputed in the www are the domain names disputes.

The parties in such dispute may not be interested in taking up the court litigation for the existing flaws in the judicial system and therefore go for alternative dispute resolution. ADR systems are preferred by the parties as it is lower in cost, faster and in large number of cases, beneficial to both the parties in the dispute. Compared to litigation in the courts, which follow a stringent and elaborate procedure, ADR is the preferred alternative for dispute resolution.

Although the laws protecting the intellectual property rights are well established in most of the countries and an undue delay in the court litigation, a good option available for the parties would be the alternative dispute resolution (ADR) for its speedier, cheaper and convenient mode of dispute resolution, if the dispute is cross border by nature.

ADR system means following a model policy that is universally acceptable to all the countries or the parties concerned. It is used mostly in the commercial disputes based on the terms and conditions of the contract. The procedure usually followed in the ADR is to submit the issue to a single arbitrator or a panel for the adjudication. It is followed in commercial disputes because the main objective of the arbitration is to have a speedy, economical, convenient and simple procedure to resolve the dispute between the parties.⁴

ICANN⁵ is the domain name registering authority. It not only registers the domain name, it has made a policy for resolving disputes relating to

3 Elizabeth G. Thornburg, “Fast, Cheap, and Out of Control Lessons From The ICANN Dispute Resolution Process”, 6:191 *The Journal of Small and Emerging Business Law*. Available at <http://ssrn.com> -id 321500 (visited on March 12, 2010).

4 Praveen Dalal, “Online Dispute Resolution in India” available at http://www.naavi.org/praveen_dalal/arbitration_may_11.htm (visited on March 25, 2010).

5 A not –for profit organization that is responsible for the maintenance and management of the gTLD directories by virtue of an exclusive contract with the US Government.



the domain names through UDRP.⁶ The increase in the number of domain name registration has enhanced the role of the service providers under UDRP, which have been effectively taking up the matters to be decided through alternative dispute resolution in matters related to domain names. Sometimes the UDRP is also called as a mandatory/administrative arbitration mechanism, since it has created an extra-judicial tribunal having the authority to adjudicate cybersquatting claims.⁷ Even a trademark owner can file a complaint⁸ for the trademark protection⁹ before the UDRP. The e-commerce growth has put pressure on the trademark owners to exist in the www and have an additional protection of the domain name, that is registered or if it is similar or same.

In order to protect these domain names a special dispute resolution system has been specially developed to handle the disputes between domain name registrants and the trademark owners in the gTLD's space. The evolution of automated computer facilities has provided easy access to register domain names to exist in the www. In the last decade, the domain names have gained importance and many registrants or the trade mark owners are not very happy to take recourse to national courts alone for any dispute that has arisen for domain name registrant or the trademark owner. Recourse in the local jurisdiction as per the national laws is not a sufficient answer to meet the needs of parties located in a multitude of

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- 6 Based on Final Report of the WIPO and the recommendations of DNSO (Domain Name Supporting Organization), ICANN adopted the mandatory, uniform dispute resolution policy, which would be applied only in cases of abusive or bad faith registration of domain names, without foreclosing the parties from turning to litigation. Thereby UDRP was launched, coming into effect from January 3, 2000.
 - 7 Zohar Efroni, "Names as Domains, Names as Marks: Issues Concerning the Interface between Internet Domain Names and Trademark Rights" *available at* SSRN-id957750 (visited on March 18, 2010).
 - 8 The procedure is optional for trademark owners, they may choose to go to UDRP or they may go to court. Christopher Gibson, "Digital Dispute Resolution, Internet Domain Names and WIPO's Role" *available at* <http://ssrn.com/abstract=1103113> (visited on March 20, 2010).
 - 9 The friction between trademark law and domain names is an inevitable outgrowth of the Internet. In the absence of better legal alternatives, mark owners initially attempted to fight cybersquatters by invoking trademark rights in the domain name, most typically in the second level domain string. However, traditional trademark law did not contemplate trademark disputes occurring in a global, electronic medium. In particular, the uniqueness and global reach of domain names serve to complicate the application of traditional trademark concepts as explained by Zohar Efroni, *supra* note 7.



jurisdictions, whose trademarks were allegedly being infringed. So an international and fair procedure, tailored to the circumstances of a domain name dispute and providing equal access to parties no matter where they were located, was proposed to address these concerns. That procedure is brought out through the Uniform Domain Name Dispute Resolution Policy (UDRP), which perhaps, has become an essential building-block in support of a stable Domain Name System (DNS), and may serve as a model for other disputes arising in the international realm of e-commerce.

As the domain name registration is independent to that of trade mark and the similar search provision like that of trademark is not available to the domain names, while registering, there are several instances where a trademark might be infringed, when a same or similar kind of domain name is registered in the www. Domain names are of two types: gTLDs¹⁰ and ccTLDs.¹¹ The gTLDs are registered on the first come first served¹² basis.

UDRP is now a decade old dispute resolution body for the domain names disputes. This authority has a prearranged agreement as per the “adhesive contract”, that the domain name registrant with UDRP. UDRP has been designed by ICANN for all the accredited registrars in all gTLDs¹³ and it takes the decision through the minimum national standards. Any dispute related to abusive registrations of domain names including cybersquatting can be initiated by a holder of trademark rights.¹⁴ As a policy matter the entire policy of the UDRP is applicable to a registrant and its customer as included in registration agreements for all ICANN-accredited registrars.¹⁵ The UDRP’s administrative procedure has to be legally and mandatory followed as an administrative procedure by the parties in dispute. The rule of UDRP needs to be followed by all parties as it requires guidelines to be followed by the dispute-resolution service providers, with supplementation by each provider’s supplemental rules.¹⁶

10 Generic Top Level Domain Name.

11 Country Code Top Level Domain Names. These are corresponded with a location in the particular country, such as UK, India, China etc.

12 Juan Pablo Cortes Dieguez, “An Analysis of the UDRP Experience: Is it Time for Reform?” *available at* SSRN-id: 1010088, (visited on March 18, 2010).

13 Like .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel and .travel.

14 The trademark owners feel that their entitlements on intellectual property rights make them feel “ripped off” by this new practice called “cybersquatting.”

15 *Available at* <http://www.icann.org/en/udrp/> (visited on March 24, 2010).



The UDRP¹⁷ is powerful and following it has been made mandatory for the registrants under ICANN, as it is the only entity currently responsible for the task of domain names dispute resolution with various ADR service providers. Due to nature of ‘adhesive contracts’ signed by the registrants, while registering their domain names, the registrants have no choice but to submit their complaints to UDRP. Because in case they lose in the dispute before UDRP, they are contractually subject to transfer of their domain names to the complainants, or to its cancellation. With its global policy and reach, UDRP is considered to be a model policy that has the potential of good online alternative dispute resolution system and later may be recommended to be used as a model policy for other e-commerce related disputes.¹⁸

For the convenience of filing the complaints the website provides the list of approved dispute-resolution service providers. The complaints under the UDRP can be submitted to any of the approved dispute resolution service provider.¹⁹ Few of the earlier dispute resolution providers have discontinued accepting the complaints.²⁰ The UDRP resolution is

16 *Ibid.*

17 The process of instituting a claim under the UDRP is relatively simple. The complainant may choose one of the “forums” (or service providers) accredited by ICANN and submit the complaint to the provider in hard copy and in electronic form. Following a selection of one- or three-member panel, the complainant has to show the fulfillment of the three-prong test of the policy. The registrant has twenty days to respond. If the panel is persuaded by the complaint, it is authorized to order the domain name to be canceled or transferred to the complainant.

18 Michael Geist, “Fair.com?: An Examination of the Allegations of Syatematic Unfairness in the ICANN UDRP (2001)” available at <http://aix1.uottawa.ca/~geist/geistudrp.pdf> (visited on March 26, 2010).

19 Available at <http://www.icann.org/> (visited on March 21, 2010).

(a) Asian Domain Name Dispute Resolution Centre [ADNDRC] (approved effective February 28, 2002). It has three offices: Beijing, Hong Kong and Seoul with there supplemental rules.

(b) The National Arbitration Forum [NAF] (approved effective December 23, 1999) with the supplemental rules.

(c) World Intellectual Property Organization [WIPO] (approved effective December 1, 1999) with its supplemental rules.

(d) The Czech Arbitration Court [CAC] (approved effective January 23, 2008) with its supplemental rules. (visited on March 24, 2010).

20 CPR: International Institute for Conflict Prevention and Resolution and eResolution available at <http://www.icann.org/dndr/udrp/approved-providers.htm>. (visited on March 24, 2010).



enforceable resolution though they follow a typical feature of its own through its independent regulations and procedures. By doing so, UDRP has contributed to the *lex informatica*.²¹ However, in order to file a complaint under UDRP, the complainant has to prove the following circumstances:

- a) Similarity of the domain name to the trade or service mark
- b) Lack of rights or legitimate interest in the registered domain name
- c) Bad faith in the registration and use of the domain name.

However the rules of UDRP do not provide proper guidelines for explaining the required specifications as to the meaning of bad faith or the word similarity or the confusingly as required to be proved by the party. However thousands of cases have been successfully decided and enforced through the UDRP.

UDRP being the only dispute resolution policy existing for all the disputes relating to the domain names other than the supplementary rules of the service provider, these decisions are being criticized thoroughly by various authors. The following are some of the highlights of criticism on UDRP decisions:

- (a) The legitimacy is itself questioned, as it functions as a *de facto* internationally binding instrument.²²
- (b) Flaws in the substantive law and ambiguity in the policy in deciding the matters before them include the choice of law concepts, applicability of rules or any other rules etc. The policy framework was very narrow and limited, but the providers are making its application wider without proper authority.²³
- (c) Bias found towards the trademark owners in the decisions, as they are the financial supporters.

21 Referred in Paper by Juan Pablo Cortes Dieguez, "An Analysis of the UDRP Experience: Is it Time for Reform?" available at SSRN-id 1010088, (visited on March 18, 2010). The effectiveness of their law depends upon the uniformity of the decision by UDRP.

22 Zohar Efroni, *supra* note 7.

23 *Ibid.*



- (d) Bias in appointing the panelist.²⁴
- (e) Forum shopping by the claimants in the majority of cases. The reason being that most of the cases taken before the service providers like NAF²⁵ and WIPO²⁶ have attained their high share of cases, by deciding in favor of the trademark owners.
- (f) Large number of default case.²⁷
- (g) Procedural deficiency.²⁸
- (h) Cost issues.²⁹
- (i) Time restrictions.³⁰
- (j) Complimentary procedure for trademark owner and to the companies and not for individuals.³¹

24 It is found that only a handful panelist have decided all the cases with high complainant winning case especially in the single member panel compared to the three member panel. No economic compensation or imposition of costs. Details can be found in the Paper by Juan Pablo Cortes Dieguez, *supra* note 12.

25 It has 31% of share in the Dispute Resolution Provider (81% of the trademark owners win in NAF) *Ibid*.

26 It has 61 % of share as a Dispute Resolution Provider (82% of the trademark win in WIPO) *Ibid*.

27 About 54% are default cases, where the decision is in favor of the complainant. *Ibid*.

28 UDRP only deal in English and many a times parties may not be able to document properly in English. Lack of official translation method from local language to English and vice versa other than by the service providers. *Ibid*. According to Zohar Efroni (*supra* note 7) the policy's fast and relatively inexpensive process casts some clouds of unfairness above the procedure. Some argued that efficiency and expedience came at the price of a substantial reduction in the registrants' legal rights.

29 No proper procedure relating to payment of fee. In case of one panel member, complainant pays, in case of three members both the parties pay and in case if they call for evidence the respective parties have to pay their expenses. *Ibid*.

30 In the process of providing expedited procedure there are few lapses in following the required due process of law or the principles of natural justice. The other flaws include limiting evidence and hearing and other short time limits. The time limits benefit more to the complainant than the respondent and the enforcement of the decision within 10 days may also be short. *Ibid*.

31 The time restrictions of 20 days for response to the complaint may be possible for a company, but not so for a individual, who has no legal knowledge and have to go for legal advice for their defense. *Ibid*.



- (k) No appeal provision from the decisions of the service providers
- (l) Doctrine of precedent not followed strictly, so there is lack of certainty³²

II UDRP becomes eUDRP under the initiative of WIPO

UDRP is successfully dealing with domain name disputes since 2000, it is appreciated for faster and effective remedies and enforcement to the seekers of relief. The most effective process of recent development is in making the UDRP as eUDRP, as per the recommendations of the WIPO, and this can be a step further in dispute resolution mechanism of ICANN, with special reference to WIPO and making it mandatorily electronic in nature.

ICANN with the consultation of INTA³³ and the Internet Commerce Association accepted the proposal of WIPO. WIPO is taking the occasion to share that the initiative of eUDRP and the required changes in the Rules to be adopted by WIPO. September 2009, has become a historical episode, by making the UDRP proceeding including the filing of complaint and the other administrative process in an electronic form. This transformation is to encourage a paperless proceeding, which was earlier available only as an optional facility to the parties.

The new initiatives are to remove the requirement of the paper pleadings from the UDRP process by WIPO. In order to continue to have a “safety-value”, the requirement of written notice continues to be in place as the earlier paper requirements. However, the complete copy of the complaint including the annexure can be sent in the electronic form. After these amendments the respondent would receive the complaint and the commencement of the administrative proceedings by the service provider in an electronic form.³⁴ This change has freed both the parties to the dispute from the obligation of filing and shipping the hardcopies of the complaint and responses. The providers from hereafter will no

32 Though there is no specific provision for following precedents, the panelist try to follow previous decision, in order to preserve predictability and fairness. *Ibid.*

33 International Trademark Association.

34 Para 1 of the Explanatory memorandum- WIPO Procedural Amendment to the UDRP Rules to Remove the Requirement for Paper Pleadings (September 17, 2009).



longer be under the compulsion of sending the hardcopy. Herewith the provider would be required to forward a copy of the complaint including the annexes to the respondents in electronic form only.³⁵ The paragraph 2(b) covers case related communications to be forwarded to the respondent electronically via internet or by any other mode reasonably requested by the complainant or the respondent in the e form. WIPO, going electronic, reflects the reality of understanding the technology orientation as required in the present scenario.³⁶

III Domain name registration and dispute resolution

In India, the domain name registration is through IN Registry. The TLD of India on the internet is .IN like .COM; and it can be used for emails, websites and other applications. IN Registry is the official registry. It was appointed by the government of India, and is operated under the authority of NIXI, the National Internet eXchange of India³⁷.

For any dispute relating to domain names a complaint can be filed to the IN Registry. The INDRP policies are applied in order to resolve the disputes between the parties. The guidelines given are similar to the internationally accepted principles under UDRP. The complaint and other proceedings can be submitted through the electronic form also. The proceedings will be conducted as per the Arbitration and Conciliation Act, 1996³⁸ as well as the requirements to be fulfilled under the Information Technology Act, 2000. The proceedings are conducted according to the internationally accepted guidelines, and with the relevant provisions of the Indian Information Technology Act, 2000. The dispute will be resolved as per the IN Domain Name Dispute Resolution Policy (INDRP). The .IN policy explains the types of disputes that can be brought and the criteria that will be considered by the arbitrators. The INDRP Rules of

35 *Ibid.*, para 2.

36 For example, as stated by WIPO in its letter to ICANN of December 30, 2008, WIPO is presently observing the receipt of electronic communications from both complainants and respondents in all defended cases. To take account of the possibility that there may be a case in which this may be, for example, temporarily impracticable, a safety valve has been retained by which a party may reasonably nominate an alternate means of communication.

37 Available at <http://www.registry.in/> (visited on March 26, 2010).

38 Available at <http://www.registry.in/INDRP%20Rules%20of%20Procedure>.



Procedure describes how to file a complaint, how to respond to a complaint, the fees, communications, and the other required procedures followed during the proceedings. The disputes for domain disputes are to be taken within the jurisdiction of Delhi court.

IV Online dispute resolution: The eBay example

Since 1990, there has been an insistence on development of online dispute resolution³⁹ for a speedier and effective dispute resolution for the online consumers and development of e-commerce. Here ODR can be best described as the use of information and communications technology, to help parties and resolution of professionals who manage, transform, and resolve conflict. Even though the faster mode of ADR that replaced the traditional court system, was appreciated has mired down, for its own reasons. Something better has to replace it and, the best suited in the current scenario of technological development is the online dispute resolution. ODR can be viewed as employing the available communication technology to deliver ADR services or, to put it in a new way, implementation of ADR in an online environment.⁴⁰

Many businesses present in the www with their e-commerce have adopted the online dispute resolution for building better relationship with the consumers. However even after existing in the www, the ODR continues to face the distrust of technology as the parties, especially the consumers are apprehensive about incorporating solutions due to a general reluctance in embracing the technological changes by all the people involved in the system including the judicial system. It needs to be understood that ODR is just a supplement and complement to the existing ADR system, and its adoption would be beneficial to the parties as it is most convenient, cost effective and a speedier justice delivery system, compared to the conventional court, that has innumerable and stringent procedures to be followed.

39 Hon. Bruce T. Cooper, "Online Dispute Resolution Comes of Age" *The Practical Lawyer* 33-35 (July 2009).

40 Prathamesh D. Popat, "Online Dispute Resolution in India, from the proceedings of the UNECE Forum on ODR 2003" *available at* <http://www.odr.info/unece2003> (visited March 25, 2010).



The ODR can be in the initial stages best suited for the insurance claims, adjustments, commercial arbitration disputes, interpersonal problems etc. and amongst the most important would be the e-commerce related disputes. One of the best examples practicing the ODR system in the current form is the eBay/Papal, which has already generated more than 40 million disputes and about 80% are resolved automatically between the parties. In comparison to this eBay – India is not left behind and has implemented a revolutionary “Community Court” in which the members of the eBay community serve on 100-person juries to resolve feedback disputes between the users.⁴¹ If the e-commerce is to be encouraged and enabled by all the countries including India, that has envisaged the law for development of e-commerce through the Information Technology Act, 2000, there is hardly any choice left to the parties, other than to adapt themselves to the next stage of development of ADR system i.e. ODR. It will certainly have resistance from various classes of people and organizations, but other choices are not available to the concerned people. The enactments of the IT Act, 2000 and the Information Technology Amendment Act, 2008, which came into effect in 2009, has set the stage for ODR to take the footing of ADR. In order to facilitate the adoption of the ADR principles, even the Arbitration and Conciliation Act, 1996 has been enacted based on the UNCITRAL Model Law on Arbitration and Conciliation Rules including few amendments in the Code of Civil Procedure, 1908.⁴² If ODR succeeds, in the existing format or with improvements, for various types of disputes, it would be a great respite for application of such dispute resolution mechanism to the other classes of disputes that are pending in the courts for decades.

V Conclusion

WIPO, by adapting a eUDRP has set an international footing for the use of electronic medium of dispute resolution system. This can be considered to be a form of ODR, as all the proceedings are to be submitted in the electronic form only, other than the written notice. This initiative of the WIPO can be adopted by other organizations for disputes resolution, to provide faster, effective and efficient justice redressal forum in the mode of ODR, which may in the future, if it becomes trustworthy and

41 *Ibid.*

42 *Ibid.*



enforceable, go beyond the issues of jurisdiction that is most talked about in the internet era.

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