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WORLD INTELLECTUAL
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WIPO SEMINAR FOR ASIA AND THE PACIFIC REGION ON THE INTERNET AND THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

organized by
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in cooperation with
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II. DOMAIN NAME DISPUTE PREVENTION AND RESOLUTION

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I. INTRODUCTORY REMARKS

- Purpose of the presentation is to highlight and briefly discuss some of the major issues to be considered when establishing procedures for the resolution of Internet domain name disputes
- Based on the experience gained by WIPO over the past year through its involvement in various DNS related projects in which the Arbitration and Mediation Center was requested to act as dispute administration authority
- Particularly: gTLD-MoU and INternetONE

II. THE INTERNET, THE DNS AND DOMAIN NAME DISPUTES

- Internet is a global network of computers
- Personnel addresses are required to obtain desired connections
- Domain names are mapped to IP addresses
- Domain names are obtained through registration with a registrar
- Registrations can be obtained in various top level domains (national and international)
- Domain names must be unique
- Integration of trademarks into domain names
- Domain names have become commercially valuable
- Disputes regarding domain names have arisen
- Practical examples

III. THE gTLD-MoU AND INternetONE

A. The gTLD-MoU

- Proposed new system of gTLDs initiated by International Ad Hoc Committee
- Composition of IAHC: Internet Architecture Board, Internet Assigned Numbers Authority, International Telecommunications Union, International Trademark Association, World Intellectual Property Organization and Internet Society

- Goals of IAHC: development of recommendations for enhancement to “generic” Top Level Domains (gTLDs) administration and operation which balance concerns for stable operations, continued growth, business opportunities, and legal constraints.
- Proposed new structure: 7 new gTLDs, Council of Registrars (not for profit), Policy Oversight Committee
- Essential feature: multiple registrars operating in a shared registration system
- Progress to date: approximately 90 registrars have joined and the shared registration system is in an advanced state of development
- Impact of US Green Paper on Technical Management of Internet Names and Addresses
- All registrars have a common dispute resolution policy: mediation & expedited arbitration (voluntary), administrative challenge procedure (mandatory) and national courts

B. INternetONE

- British not for profit company
- Operating out of Indian Ocean Territories (IO) top level domain
- Offers directory service permitting coexistence of identical names
- System is based on a combination of a domain name, a URL and a description of the registrant
- Progress to date: in production since February
- Dispute resolution policy: expedited arbitration (to be administered by WIPO) and national courts

IV. DISPUTE PREVENTION THROUGH TECHNICAL INNOVATION

- Domain name disputes currently hot topic but may be at least to certain degree a temporary problem
- Technical innovations may provide solutions: e.g. gTLD-MoU (increase in number of gTLDs) and INternetONE (technical ability to coexist)
- Emphasis likely will shift more and more from domain name issue to broader issues relating to content of Web site,

V. REGISTRATION AGREEMENT ESTABLISHES DISPUTE RESOLUTION POLICY

- Currently each registrar establishes its own dispute resolution policy; agreed to by client by way of concluding the registration agreement
- In view of the number of registrars (international and national), this creates a serious IP management issue
- Advantage of gTLD dispute resolution policy: common to all registrars
- Green paper proposal: multiple competing registries in each of which multiple registrars operate; each registry to “establish minimum dispute resolution and other procedures related to trademark considerations”
- If large number of registries are expected to be operating in the future, question arises how to achieve a minimum consistency in the results of the dispute resolution and how to keep the IP management reasonably streamlined
- Typical dispute resolution models: administrative procedures, mediation, expedited arbitration, court proceedings, and combination of the former
- Generally option to go to court in addition to one or more ADR models that are intended to be efficient and not overly costly
- Usually registration agreements are concluded through the Internet by completing web-based forms; in case of arbitration query whether such agreement to arbitrate meets the writing and signature requirements of the New York Convention
- Useful points:
 - ensure that contact details of registrant for service of process and other notification purposes during the proceedings are clearly defined (frequent problem is inability to establish contact with the other party)
 - require registrant to state (1) that, to the best of its knowledge, the registration will not infringe upon the rights of third parties, (2) the purpose for which the domain name will be used and, (3) that it intends actually to use the domain name within a defined period of time
 - fix which courts have jurisdiction and whether this is exclusive or not

VI. MANDATORY CONTRACTUAL ADR

- Legal basis for ADR: registration agreement

- ADR clause for all practical purposes not subject to negotiation between parties
- Clause and procedure must take into account possible limitations on mandatory contractual ADR
- Points to consider:
 - Extent of registrar's involvement in resolution of dispute (conflict of interest, cost and liability issues)
 - If administration of dispute is delegated to another organization:
 - relationship between registrar and organization is to be considered
 - option for parties to choose between various such organizations may be useful approach
 - If dispute is to be resolved by one or more neutrals, question arises who is to appoint the neutrals: the registrar, the administering authority or the parties
 - Advisable to offer parties more than one dispute resolution model : e.g. mediation, administrative procedure, arbitration and/or court proceedings
 - Consideration should be given to the question of who should carry the burden of costs (administration fees, fees of the neutrals, other costs of the proceedings, ...)
 - There should be no material discrepancy between the time frame proposed in the dispute resolution policies and what actually happens

VII. POTENTIAL REMEDIES AVAILABLE IN ADR PROCEEDINGS

A. Proactive Remedies: General and Specific Exclusions

- Remedy foreseen in gTLD-MoU
- Concept of exclusion
- Difference between specific exclusion and general exclusion
- Particularly the general exclusion is an attractive tool for holders of well-known trademarks
- Value of general exclusion is determined by the number and market importance of gTLDs administered by the registry offering this remedy in its dispute resolution policy (compare initial gTLD-MoU proposal and US Green Paper)

- Procedural aspects: request for exclusion to be ruled upon by neutral, possibly combined with a provisional exclusion as of date of filing of request
- Variant: front-loading exclusions for new registries

B. Provisional Suspension of Registration

- Remedy foreseen in gTLD-MoU and INternetONE
- Query whether or not this should be automatic as of filing of claim
- If not automatic, query who should rule upon the request for suspension: the registrar, the neutral(s) that will decide upon the substance of the dispute or (a) neutral(s) on standby to deal with such emergency requests
- gTLD-MoU: neutral on standby (“Emergency Panel”) but neutral(s) that will decide upon merits may review the decision; INternetONE: neutral that will decide on substance of dispute
- Ruling granting or refusing a suspension may be accompanied by requirement to post a bond

C. Cancellation/Transfer of Registration (or Exclusion)

- Foreseen in gTLD-MoU and INternetONE
- Request for transfer of registration is classic scenario (e.g. cybersquatter)

D. Modification of Registration

- Foreseen in gTLD-MoU and INternetONE
- Modification of alphanumeric string or top level domain
- In view of commercial impact, prudent approach may be to make this subject to agreement of the parties

E. Monetary Damages

- Preferred option appears to be to limit possible remedies to status of domain name itself, rather than to include possibility of monetary damages (apart from, in certain instances, the cost of the proceedings)
- Consistent with goal of keeping the procedures short and inexpensive

- Disadvantage: may lead to parallel procedures; less impact as deterrent

F. Combinations

- Requests for combinations of the above remedies are possible
- Practical examples

VIII. LEGAL BASIS FOR DETERMINATION

A. Main Difficulty

- Which law should be applied to resolve the substance of the dispute is one of the most difficult questions
- Disputes typically will concern issues of trademark law
- National and industry specific character of trademark law versus global and industry generic character of domain names
- Uniqueness of domain names within a given top level domain
- Cybersquatting versus situation where both parties have a legitimate claim to the domain name
- Both parties may be operating in the same jurisdiction or in different jurisdictions

B. Arbitration

- In addition to above problems, it is not known at the time of drafting the registration agreement what the nationalities of the parties to the dispute will be
- Approach taken by WIPO for arbitration: “Unless the parties agree on the applicable law or rules of law, the Tribunal shall apply the law or rules of law that it determines to be appropriate, taking into consideration any observations of the parties and the circumstances of the arbitration.” (WIPO Expedited Arbitration Rules, As Adapted for Internet One Dispute Resolution Policy)
- In arbitration this is a widely accepted approach: for instance, Article 59 of the WIPO Arbitration Rules, Article 17 of the ICC Rules, Article 28 of the AAA Rules.
- Time is required for the law to develop; likely to be based on following factors (in no particular order):

- (1) first come first served principle
- (2) Rights (IP and others) of the parties, if any
- (3) Use of domain name and corresponding rights
- (4) Nature of top level domain
- (5) Length of time of registration
- (6) Indication of bad faith
- (7) Anti-dilution considerations

C. Administrative procedures

- In view of the state of the law, likely outcome of arbitration proceedings is not easily predictable, particularly if both parties have a legitimate claim to the domain name
- Desire for administrative procedure is in significant part an attempt to circumvent this lack of predictability
- Administrative procedures generally are expected to produce predictable results
- For the results to be predictable, bright line rules must be established (e.g. if trademark registrations in more than ? number of countries, the mark will be deemed well-known for the purposes of the administrative procedure)
- Less consideration can be given to all the facts and circumstances of the case
- One option is to restrict the use of administrative procedures to the proactive cases (e.g. request for exclusion) and to clear instances of abuse (e.g. cybersquatting)

IX. RELATIONSHIP BETWEEN ADR PROCEDURES AND LITIGATION IN THE COURTS

- In part determined by the dispute resolution policy provided in the registration agreement
- Typically policies will allow complaining party to choose between court proceedings or ADR proceeding

- Query whether a party can still go to court when ADR proceedings foreseen in the registration agreement have already been initiated in connection with a particular dispute
- In case of arbitration, likely not possible (unless agreed otherwise)
- In case of proceedings that are more administrative in nature, likely possible
- A frequently asked question is whether the neutral decision maker is bound by a court decision ruling upon the same dispute
- A useful approach is to accord very high if not conclusive evidentiary value to court decisions
- To the extent a court decision contradicts an administrative ruling, the court decision may be made enforceable against the registrar itself
- The physical location of the registrar, its database or the root server will have a bearing on where to file suit

X. ON-LINE NATURE OF WIPO PROCEDURES

- In an effort to reduce the costs and the time required to conduct the ADR proceedings that it proposes to administer WIPO has developed an on-line dispute resolution procedure
- System essentially is a secure web-based document and workflow management system permitting the parties, the Tribunal and the Center to communicate confidentially through the exchange of documents in electronic format
- Domain name disputes are well suited for this type of procedure: typically limited amount of evidentiary material and witness testimony not of primary importance

XI. ENFORCEMENT OF AWARDS

- Dispute resolution policies in the registration agreements usually provide that the registrar is bound to implement any determination resulting from the dispute resolution procedure regarding the status of the domain name
- To the extent monetary damages are awarded, the prevailing party may be required to seek the enforcement of the determination through the regular channels

XII. CONCLUSION

- Technical innovation may provide unforeseen solutions
- ADR (mediation, arbitration and administrative proceedings) is to complete not to replace litigation in the courts
- Arbitration likely will be less predictable but yield more refined results
- Administrative proceedings likely will be more predictable but yield rougher results

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