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## **STANDING COMMITTEE ON THE LAW OF TRADEMARKS, INDUSTRIAL DESIGNS AND GEOGRAPHICAL INDICATIONS**

**First Special Session**  
**on the Report of the Second WIPO Internet Domain Name Process**  
**Geneva, November 29 to December 4, 2001**

### **THE UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY: BACKGROUND AND CURRENT STATUS**

*Document prepared by the International Bureau*

1. The Uniform Domain Name Dispute Resolution Policy (UDRP) is an administrative procedure that allows certain disputes concerning abusive domain name registrations in the generic Top-Level Domains (gTLDs) .COM, .NET and .ORG, as well as in a number of country code Top-Level Domains (ccTLDs), to be resolved without the need for recourse to national court systems. In light of the relevance of the UDRP to many of the issues discussed in the Report of the Second WIPO Internet Domain Name Process and its potential use as a vehicle for the implementation of decisions that might be taken by Member States regarding the recommendations formulated in that Report, the present document provides background information on the UDRP with a view to assisting the work of the special sessions of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications.

2. The origins of the UDRP are linked to the reform of the management of the Domain Name System (DNS), in particular of the gTLDs, which was initiated around the middle of the last decade and which, in several respects, is still ongoing. Prior to this reform, the management of the DNS was largely the responsibility of the Government of the United States of America, and included the delegation by the Government of the United States of America of the registration of

domain names in the gTLDs to a private-sector entity operating in its territory (Network Solutions, Inc.). In light of the growing use throughout the world of the Internet in general and the DNS in particular, a consensus emerged on the need to introduce changes to this system. Some of the principal features of the desired reform impacted on intellectual property interests and included: (1) a transition of the technical management of the DNS to a newly created private, not for profit corporation, the Internet Corporation for Assigned Names and Numbers (ICANN)); (2) the introduction of greater competition in the domain name registration business (leading to entities other than Network Solutions, Inc. entering the market as domain name registrars); and (3) the creation of new gTLDs (leading to seven new gTLDs which are currently in the process of coming into operation).

3. By the time the above reform process started, the DNS had become of critical value to the intellectual property community, as domain names were increasingly relied upon by users as the *de facto* directory for the Internet. Domain names had evolved into performing the function also of business identifiers on the Internet and were increasingly used by companies as a means of marketing their products and services in the online environment. However, due to the very flexible registration procedures that apply to the registration of domain names in .COM, .NET and .ORG (the so-called “first-come first-served” principle), trademarks often were abused in the domain name registration process by bad faith registrants who registered names corresponding to trademarks with which they had no genuine connection. Prior to the existence of the UDRP, trademark owners had to resort to litigation before the courts to recuperate domain names that had so been “cybersquatted.” In light of the complex questions of jurisdiction, applicable law and enforcement that arise when using national judicial systems to resolve disputes arising in the context of a global infrastructure such as the DNS, traditional court litigation was considered an unsatisfactory solution to the problem, in particular because of its slow pace and heavy cost. That being the case, intellectual property owners argued that any reform of the DNS (and in particular the creation of new gTLDs) should include the establishment of a mechanism allowing intellectual property owners to rectify abuses of rights in the gTLDs in a more efficient manner.

4. The design of this desired mechanism was entrusted to WIPO by its Member States and was conducted as part of the first WIPO Internet Domain Name Process. The major portion of the recommendations emanating from this Process, reflected in its Report of April 30, 1999, was devoted to this question.<sup>1</sup> The Report recommended the creation of an on-line administrative dispute resolution procedure which would have universal application for all .COM, .NET, .ORG registrations (i.e., the procedure would apply to any name registered in those domains, irrespective of the registrar through which the registration was made). In terms of the other principal characteristics of the proposed procedure, the following was recommended by WIPO:

(i) Under the procedure, third parties should be able to challenge domain name registrations in .COM, .NET and .ORG and the dispute should be decided by a panel of independent expert decision-makers.

(ii) The scope of the procedure, at least in an initial phase, should be limited to the abusive registration of trademarks as domain names (as defined in the Report).

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<sup>1</sup> This Report is available at <http://wipo2.wipo.int/process1/report/finalreport.html> or, upon request, in bound form.

(iii) The legal basis for the procedure should be the domain name registration agreement through which the registrant should submit to the procedure.

(iv) The procedure should be administered by independent dispute-resolution institutions, which would be responsible for the appointment of the panel of decision-makers and for the administration of the procedure.

(v) The principal remedies available under the procedure should be limited to seeking the transfer or cancellation of the domain name registration (no monetary damages).

(vi) Registration authorities should implement decisions made under the procedure calling for the transfer or cancellation of a domain name, without the need for a court to review or confirm such decisions prior to their implementation.

(vii) The availability and conduct of the procedure should not deny the parties to the dispute access to national court proceedings, either before, during or after the procedure.

(viii) It should take no longer than 45 days to resolve a dispute under the procedure in normal circumstances and its costs should be kept to a reasonable minimum.

5. After consideration by the WIPO Member States, the Report of the first WIPO Internet Domain Name Process was submitted to ICANN for consideration. In December 1999, ICANN adopted the UDRP, which, essentially, is an implementation of the above recommendations. The UDRP offers relief to trademark owners who have falling victim to cybersquatting activities provided they can demonstrate that:

(i) The domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

(ii) The registrant has no rights or legitimate interests in respect of the domain name; and

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

6. ICANN also appointed four dispute resolution service providers to administer disputes that are brought under the UDRP, including the WIPO Arbitration and Mediation Center (the WIPO Center).

7. Since its entry into force, the UDRP has been widely used as a tool to combat trademark cybersquatting in the gTLDs, with more than 4,500 cases filed under the procedure, approximately 3200 of which with the WIPO Center. Of the cases filed with the WIPO Center more than 2,600 have been resolved, and in 80% of the cases where a decision was issued, the complainants have prevailed. The UDRP equally applies to non-Roman (“non-ASCII”) domain names, registered in .COM, .NET and .ORG and approximately twenty cases relating to such registrations have already been filed with the WIPO Center. Furthermore, 22 administrators of ccTLDs have voluntarily adopted the UDRP and more than 50 cases relating to disputes in the ccTLDs have also been filed with the Center. Finally, it is expected that the seven new gTLDs (.AERO, .BIZ, .COOP, .INFO, .MUSEUM, .NAME and .PRO) will be required by ICANN to adopt the UDRP.

8. In light of the extensive case-load that has been developed under the UDRP, many panel decisions have refined the interpretation of the substantive conditions which have to be met by complainants to be successful under the procedure. Two interpretations of these conditions are of direct relevance to the issues covered by the Report of the Second WIPO Internet Domain Name Process (in its Chapters on Personal Names and Geographical Identifiers) and merit reference in this memorandum:

(i) A large number of decisions has established the principle that the personal name of an individual may qualify for protection under the UDRP, provided that the individual in question can demonstrate that he or she has acquired, through registration or use, trademark rights in his or her personal name.

(ii) As a matter of principle, panels generally have found that place names (in particular city names) can benefit from protection under the UDRP, provided complainants can demonstrate that the substantive conditions of the procedure are met. However, as a practical matter, relatively few complainants have succeeded in establishing this, in particular because they have had difficulty in convincing panels that they have trademark rights in the place names concerned and that registrants have no legitimate interest in the names.

9. After almost two years of operation, the UDRP is now generally regarded as the standard for combating cybersquatting in the DNS. As regards its future development, the following main trends may be noted:

(i) The UDRP likely will be adopted by all seven new gTLDs.

(ii) While the UDRP was conceived primarily for application in the gTLDs, it is increasingly adopted at the level of the ccTLDs. This is a positive development which merits strong encouragement, consistent with the *WIPO ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes*. As stated in the latter document, an increased use of the UDRP in the ccTLDs will “introduce greater uniformity in domain name dispute resolution at the international level and therefore generate significant economies of scale, which would benefit parties, registration authorities and dispute resolution service providers alike.” In particular, it would permit the consolidation of cases brought against the same registrant regarding registrations of the same or similar names across gTLDs and ccTLDs.

(iii) It is expected that the number of disputes concerning non-Roman (“non-ASCII”) script domain name registrations will increase in line with the further internationalization of the DNS. This development will be the source of new challenges resulting from the need to resolve domain name disputes in a entirely cross-cultural and multi-lingual context.

(iv) The scope of the UDRP is currently restricted to the abusive registration of trademarks. While the possibility of a broader scope was examined in the first WIPO Internet Domain Name Process, the final recommendation was not to proceed in that direction, at least not in an initial phase. The Report of the first Internet Domain Name Process noted the following in this connection:

“There is evidence that [abusive registration practices extend to] intellectual property rights other than trademarks and service marks, but we consider that it is premature to extend the notion of abusive registration beyond the violation of trademarks and

service marks at this stage. After experience has been gained with the operation of the administrative procedure and time has allowed for an assessment of its efficacy and of the problems, if any, which remain outstanding, the question of extending the notion of abusive registration to other intellectual property rights can always be re-visited.”

Since the publication of the Report in April 1999, there can be noted a growing support for the adoption of domain name dispute resolution models covering a broader range of conflicts than those falling under the ambit of the UDRP. This trend appears to be fueled, on the one hand, by a growing realization that distinctive signs other than trademarks are prey to questionable domain name registration practices and, on the other, by the increased recognition that alternative dispute resolution procedures constitute a far more effective avenue for the resolution of disputes arising from such practices than traditional court litigation.

The above trend is well reflected in the policy directions taken or contemplated to be taken by the administrators of a number of ccTLDs. For instance, the administrator of .AU (Australia) has recommended a dispute resolution policy for its domain which is based on the UDRP, but which aims to protect, against abusive domain name registrations, not only trademarks and service marks, but also any other “names” in which a complainant has rights. Furthermore, a working group constituted by the administrator of .NL (Netherlands), of which WIPO is a member, has recommended, in an interim report on the reform of the .NL domain, the adoption of an arbitration procedure to resolve all domain name disputes (i.e., not only disputes concerning abusive registrations) that are based on allegations of infringement of Benelux trademark law or Dutch trade name law.

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