

**ASPECTS OF THE NATURE AND ONLINE
RESOLUTION OF DOMAIN-NAME DISPUTES**

by

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submitted in accordance with the requirements
for the degree of

DOCTOR OF LAWS

at the

UNIVERSITY OF SOUTH AFRICA

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AUGUST 2011

SUMMARY

The thesis analyses selected aspects of domain-name law, mainly from the perspective of trade-mark law. It discusses the evolution of the domain-name system and how it operates as background to a more detailed discussion of the theoretical classification of domain names. The thesis then examines the interplay between trade marks and domain names, and the resolution of domain-name disputes resulting from the inherent tension between these two systems. The main principles of domain-name dispute resolution are identified by way of an analysis of the panel decisions handed down in terms of the international Uniform Dispute Resolution Policy (UDRP) and the South African domain name dispute resolution regulations. This analysis always addresses, too, the extent to which national trade-mark law principles (with reference to the laws of South Africa, the United Kingdom, and the United States of America) apply, and the extent to which this is appropriate.

KEY TERMS

domain names; well known trade marks; ICANN; WIPO domain name processes; UDRP; South African domain name dispute resolution regulations; Nominet Dispute Resolution Service, cybersquatting; abusive domain name registration; typosquatting

ACKNOWLEDGEMENTS

To my Grandmother Sophia, and in memory of Anne-Marie, my muses.

It is with gratitude that I acknowledge the bursaries and grants awarded to me, as well as the time and resources offered to me, by the University of South Africa to conduct research both nationally and internationally for the purpose of this thesis.

I would like to extend my heartfelt gratitude to Prof Coenraad Visser, my promoter, colleague and friend for many years of excellent guidance, invaluable insight, so much of his precious time, and much else. Thank you, Coenraad – your door really is “always open”. You are truly a mentor in every sense of the word. I’ve been privileged to have passed through your competent hands.

I would like to thank Prof Brian Rutherford, Prof Roshana Kelbrick and Prof Tana Pistorius, who were always willing to listen and help. I am also indebted to so many of my other colleagues, past and present, a number of whom are very dear friends, for their support, interest, valuable hints and assistance in difficult times.

I appreciate the hard work, patience and kind words of encouragement of Thea de Villiers, who assisted me with the text and the lists. Thank you very much to Derick Badenhorst who offered to do the printing and binding of the thesis and did it so competently.

Thank you, Bertha and Pienkie, for looking after me so well.

I need to extend my deepest appreciation to my family (my Grandmother Sophia, my father Kobus, Christelle, Okkie and my mother, Christine) and all my life-long friends: thank you so much for always understanding, sacrificing so much for so long and for never tiring of willing me on when courage failed me. Your love, patience and faith are all that made this possible.

Lastly, I want to extend a very special word of acknowledgement to my father Kobus, whose unconditional love and support have been my greatest strength and whose values and character have always inspired me in life. I don’t have the words to thank you – not that you and I have ever needed them.

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CHAPTER 1

INTRODUCTION

1 Problem Statement

The advent of digital technologies and global information networks, especially the Internet, presents law and legal theory with new and unique challenges. A comprehensive and exhaustive analysis of all these challenges, and the diverging ways in which they have been met, would obviously demand an investigation far exceeding the limitation of one doctoral thesis. For this reason I have selected to investigate only one of the most dynamic and controversial areas of Internet law – domain-name law, and then mainly one perspective – trade-mark law.

As I will show below, the Internet gradually evolved from a platform for the sharing of information for research and defence purposes into a global phenomenon oblivious to national boundaries and unmatched in its effect on almost all spheres of human activity. It has become the preferred medium for finding, storing, and distributing information, an indispensable form of communication, and the epitome of human social, political, scientific, cultural, and commercial interaction. Also, in the process of evolution, the Internet has also become a vehicle for large volumes of commercial transactions. To be part of this global phenomenon, especially to be part of the virtual marketplace, a person or entity needs a presence on the Internet, an address in cyberspace – a domain name. Domain names, as commercial identifiers, have become highly valuable business assets.

Traditionally, trade marks, which operate within the structure of a well regulated and established system of trade-mark law, were generally accepted, respected, and legally protected as the mould in which commercial identifiers were cast. A trade mark, operating within the confines of a territorially restricted national jurisdiction, essentially serves the function of a badge of origin, distinguishing the goods and services of one particular trader from those of another.

Domain names break with the territorial trade mark mould, and also act as commercial identifiers, but on the world's most dynamic commercial platform.

This draws the battle lines between these two forms of commercial identifiers, a battle first fought between 'cybersquatters' and trade-mark proprietors, on a legal landscape ill equipped to provide solutions for a lasting peace.

In this thesis I examine the birth and growing pains of the novel and complex legal principles regulating the domain-name system, the interplay between trade marks and domain names, and the resolution of domain-name disputes resulting from the inherent tension between these two systems.

2 Structure of the Thesis

The historical development of both the domain name and the trade-mark systems is convoluted and complex. I do not intend to provide a detailed analysis of the historical developments. However, I felt it necessary to provide a broader context within which to frame the most relevant legal principles and structures of domain-name law and the foundations that underpin it. For this reason, chapter 2 provides a brief historical explanation of the origins and development of the domain-name system. It includes not only an exposition of the technical workings and evolution of the system itself but also discussions of the legal arrangements, the institutions and interests involved, and the documents and policies drafted, all which ultimately led to the formation of the Internet Corporation for Assigned Names and Numbers (ICANN) and its consequent control of the system.

The first part of chapter 3 gives a basic exposition of the history of trade marks and trade-mark law as well as short discussions on the nature and functions of trade marks in order to inform a comparison regarding the fundamental characteristics of trade marks and domain names, and the consequent interplay between the two systems. This is critical to a proper understanding of the process of domain-name dispute resolution. The second part of chapter 3 analyses the problematic question of to what extent a domain name should be classified as a proprietary interest from a trade-mark law perspective. In doing so, the domain name is also discussed within a theoretically new class of property, 'virtual property', as well as within more traditional property law paradigms.

Chapter 4 deals with the Uniform Dispute Resolution Policy (UDRP), the solution sculpted to address the most urgent form of trade-mark abuse – ‘cybersquatting’. The UDRP brought to life a unique international dispute-resolution system that provides a viable alternative to traditional legal processes, and an innovative answer to some of the pressing issues flowing from the interplay between trade marks and domain names. Chapter 4 first provides a brief background to the UDRP, a brief discussion of the primary policy motivations underlying various aspects of the UDRP, and a short exposition of the UDRP domain-name dispute-resolution service providers which are tasked to provide the essentially online platforms and processes for the management and resolution of the disputes. The main aim of chapter 4, which is essentially the primary objective of this thesis, is to analyse the disparity between traditional trade-mark law principles and the principles applied to the resolution of domain-name disputes, and consequently to consider to what extent the application of traditional trade-mark law theory and practice is appropriate in the domain-name context. To reach this goal, an analysis of selected decisions reached in terms of the most relevant substantive principles of the UDRP are analysed and used to not only demonstrate how these principles operate, but also why and to what extent these principles differ from traditional trade-mark law principles.

Chapter 5 is similar in structure and purpose to chapter 4. In chapter 5, I explore the South African domain-name dispute-resolution system. The chapter first provides a look at the historical events, and the key role players, leading to the promulgation of the South African domain-name dispute-resolution regulations. This is followed by a brief discussion of the South African domain-name dispute-resolution service providers. I then analyse the substantive provisions of the regulations with reference to adjudicator decisions handed down in terms of the regulations. The regulations and the decisions are constantly measured against, and compared to, the substantive principles of and panel decisions under the UDRP, as canvassed in chapter 4. For comparative purposes, I also refer to the system for the resolution of domain-name disputes in the ‘.uk’ domain, which in many respects foreshadow the South Africa regulations. Throughout this analysis I address the extent to which national trade-mark law

principles (with reference to South African, United Kingdom, and American law) have found application, and the extent to which this is appropriate.

Finally, in chapter 6, I make a number of recommendations for the interpretation of the UDRP and the South African regulations, and I propose some amendments of the regulations.

3 Applicable Law

The law is stated as at 31 December 2010.

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CHAPTER 2

HISTORY AND BACKGROUND: A BRIEF EXPOSITION OF THE DOMAIN NAME SYSTEM (DNS), THE INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS (ICANN) AND THE WIPO DOMAIN NAME PROCESS

1.1 *The Domain-Name System*

The domain-name system has been defined as –

‘... a hierarchical naming system built on a distributed database for computers, services, or any resource connected to the Internet or a private network. Most importantly, it translates domain names meaningful to humans into the numerical identifiers associated with networking equipment for the purpose of locating and addressing these devices worldwide.’¹

The Internet Domain Name System (DNS) is the central system for routing traffic on the Internet. The primary function of the DNS is to provide users with a simple and reliable means of connecting and referring to web sites, and of sending and receiving e-mail, to mention only the most obvious of Internet services. The Internet’s meteoritic rise as a global resource and critical communications medium that is easy to use and predictable is directly attributable to the DNS. Although the Internet is relatively decentralised, the DNS is structured in a centralised hierarchical manner.

1.1.1 **What is a Domain Name?**

Domain names are the human-readable (mnemonic), or plain English, equivalent of machine-readable addresses. These alphanumeric names perform a technical function that is convenient for human users of the Internet. When an e-mail is sent or a web site is accessed, a domain name is used to do it. For example, the domain name of the online gambling venture Ladbrokes is ‘http://www.ladbrokes.com’. These ‘human-friendly’ names are easy for people to remember but they are useless for machines. The machine-readable addresses are called IP (Internet Protocol) addresses, because the location of data on the Internet is identified using the Internet Protocol Address System. Every resource on the Internet (web site, web page or e-mail address) must have a unique Internet Protocol address. Without this unique identifying address, resources on the Internet will not be able to find other specific resources. There will, for example, be no way of making sure that the important e-mail one sends will reach the

¹ Definition by Wikipedia available at <http://en.wikipedia.org/wiki/Domain_Name_System> (accessed 16 May 2011).

intended addressee.² Domain names are converted into a thirty-two-bit dotted decimal notation, or a number consisting of four octets (sets of eight binary digits), that specifies a network address and a host ID on a network.³ The IP address for 'http://www.ladbrokes.com' would, for example, be 'http://197.121.187.70', the numeric equivalent of the alphanumeric domain name. The DNS is responsible for the resolution⁴ of domain names into IP numbers, as well as for the assignment of these unique domain names and IP numbers to individual Internet resources.

As stated previously, the DNS operates on the basis of a hierarchy of names. Domain naming conventions treat a domain name as consisting of three parts, with each part, in turn, consisting of a series of alphanumeric fields (or 'domains') separated by periods or 'dots'.⁵ At the top of the hierarchy are the top-level domains, which are usually divided into two categories – the generic top-level domains (gTLDs), and the country-code top-level domains (ccTLDs). Examples of generic top-level domains (gTLDs) are the generally better known domains such as '.com', '.net', and '.org'. All three of these gTLDs can be referred to as 'open', in the sense that there are no restrictions concerning the bodies or persons who may register names in them. Some of the other existing gTLDs can be referred to as 'restricted', because only certain bodies or persons are allowed to register domain names in them, like the '.int' gTLD which is restricted to international organisations, and the '.edu' gTLD that is restricted to colleges and universities.⁶

The two-letter country-code top level domains (ccTLDs) are derived from Standard 3166 of the International Organization for Standardization (ISO 3166), such as '.ca' (Canada), '.fr' (France), and '.za' South Africa.⁷ Some of these ccTLDs are also 'open'

² Froomkin A Michael 'ICANN's Uniform Dispute Resolution Policy – Causes and (Partial) Cures' (2002) 67 *Brooklyn LR* 605 at 615.

³ Froomkin A Michael 'Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution' (2000) 50 *Duke LJ* 17 at 37.

⁴ Resolution is the term used for the process by which the Domain Name System (DNS) identifies and translates the corresponding numerical IP number of a domain name.

⁵ Friedman Bradly J and Deane Robert JC 'Trademarks and the Internet: A Canadian Perspective' (2001) 34 *Univ of British Columbia LR* 345 at 360.

⁶ Friedman and Dean op cit note 5 at 361; Froomkin op cit note 2 at 618.

⁷ See ISO 3166-1:1997 'Codes for the Representation of Names of Countries and Their Subdivisions' Part 1. See also The International Organization for Standardization at <http://www.iso.org/iso/country_codes.htm> (accessed 1 April 2011) ISO-3166 which assigns two letter alphabetic codes to countries for the purposes of postal, transport and communications authorities was used in order to avoid possible

in the sense that no restrictions are placed on the bodies or persons who are allowed to register domain names in them, while others are 'restricted' in the sense that only bodies or persons meeting certain criteria (such as being domiciled within the specific territory of a particular ccTLD) before registration are allowed to register domain names in these domains. On a purely functional basis, there is no distinction between the generic top-level domains (gTLDs) and the country-code top-level domains (ccTLDs), as a domain name registered in a ccTLD provides exactly the same connectivity as a domain name registered in a gTLD. As I stated previously, there are restricted gTLDs and ccTLDs, which restrict use to bodies or persons meeting certain criteria, and there are open gTLDs and ccTLDs, which contain no such restrictions on registration and use.⁸

A point of clarification: one should note that not all ccTLDs are under the control of the sovereign government of the particular territory associated with a specific country code.⁹ In South Africa, for example, the question regarding the administration and ultimate control of the '.za' domain space gave rise to heated debate between the South African government and various private and institutional stakeholders. In the end, the South African government, protesting that the '.za' domain space is a purely South African asset and resource that should be exploited for the benefit of the country and its people, claimed indirect control over the name space. Chapter X of the Electronic Communications and Transactions Act¹⁰ provides for the establishment of a Domain Name Authority and Administration that will manage and control the '.za' name space. Although the Domain Name Authority falls under the auspices of the Department of

debates regarding the designation of countries. See in this regard Postel J and Reynolds J 'Domain Requirements' (October 1984) *RFC* at 920. (RFCs or Request for Comments is solicited public input on issues relating to the overall framework of the DNS administration and the Internet. The RFCs are viewed as the 'documents of record' for the Internet community); Kessler G and Shepard S 'A Primer on Internet and TCP/IP Tools and Utilities' (June 1997) *RFC* 2151 ¶ 9.1. RFCs are available at <www.ietf.org/rfc.html> (accessed 3 May 2011). The only exception to the use of ISO-3166 for ccTLDs is the code for Great Britain which is 'gb' whereas the ccTLD is '.uk'.

⁸ See 'The Management of Internet Names and Addresses: Intellectual Property Issues: Final Report of the WIPO Internet Domain name Process' (30 April 1999) World Intellectual Property Organization ('Final Report') ¶ 4, available at <<http://www.wipo.int/amc/en/processes/process1/report/index.htm>> (accessed 6 May 2011).

⁹ See Froomkin op cit note 3 at 40; Roos Fredrik 'First Come, Not Served: Domain Name Regulation in Sweden' (2003) 17 *International Review of Law Computers and Technology* at 63 for a discussion on the regulation of the '.se' ccTLD as an example of a territorially regulated TLD.

¹⁰ Act 25 of 2002.

Communications, the Authority is an 'inclusive' body made up of representatives from most of the relevant interest groups.¹¹ How successful and representative this body will be, given its structure of management and strong governmental influence, remains to be seen.

By July 2010, the DNS system was represented by 21 generic top-level domains (gTLDs),¹² which includes '.arpa',¹³ and some 250 country-code top-level domains (ccTLDs).¹⁴

The next level in the hierarchy or the second part of the domain name is the so-called second level domain (SLD). Take, for example, the domain name in the address 'www.kalahari.net'. The '.net' is the top-level domain (TLD), whereas the part to the left of the TLD, the word 'kalahari', is referred to as the second-level domain (SLD). Any other parts lumped together will be the third or higher-level domains. The party in whose name the second-level domain is registered (the registrant) can add an unrestricted number of third-level domains. Domain names need to be unique in order for the DNS system with its present architectural design to function. Although it is possible for different parties to register exactly the same second-level domain, these registrations would need to be in different TLDs. It will be possible for different parties to register the domain names 'amazon.com', 'amazon.net', and 'amazon.org'. with all the domain names ensuring the registrant of a presence on the Internet. There is also no limit to the number of domain names that an individual party can register.¹⁵

As domain names are easy to use and convenient for human users of the Internet, the DNS has assumed a critical role in all Internet based activities, particularly in electronic

¹¹ More detailed information on the Domain Name Authority can be found on the Authorities' official web site at <<http://www.zadna.org.za/>> (accessed 7 May 2011). For a detailed discussion of domain-name dispute resolution in the '.za' ccTLD, see chapter 5 below.

¹² Eight gTLDs ('.com', '.edu', '.gov', '.int', '.mil', '.net', '.org', and '.arpa') predated ICANN's (Internet Corporation for Assigned Names and Numbers; see the detailed discussion in section 1.3 below) creation. ICANN carried out two application rounds for new gTLDs since its establishment with the seven new gTLDs ('.aero', '.biz', '.coop', '.info', '.museum', '.name', and '.pro') being introduced in the 2000 application round, and the six new gTLDs ('.asia', '.cat', '.jobs', '.mobi', '.tel', and '.travel') being introduced during the 2004 application. See <<http://www.icann.org/en/registries/>> (accessed 15 April 2011). ICANN is constantly exploring possibilities to add additional gTLDs. See ICANN's New TLD Program, at <<http://www.icann.org/en/topics/new-gtld-program.htm>> (accessed 15 April 2011). For a more detailed discussion of the new gTLDs, see also Lindsay David *International Domain Name Law: ICANN and the UDRP* (2007) ¶¶ [1.13]-[1.15].

¹³ The '.arpa' top level domain is used for reverse IP look-ups.

¹⁴ See a listing of current ccTLDs on the Root Zone Data Base at <<http://www.iana.org/domains/root/db/>> (accessed 30 April 2011).

¹⁵ See Froomkin op cit note 2 at 620; Murray Andrew D 'Internet Domain Names: The Trade Mark Challenge' (1998) 6 *International J of Law and Information Technology* 285 at 290.

commerce. Precisely because they are easy to remember and to identify, domain names have through use and convention acquired a supplementary existence as business or personal identifiers. Domain names have, as commercial activities on the Internet increased, become indispensable in their ability to identify and distinguish a particular business (including goods and services) or an individual, and to specify its corresponding online location.¹⁶ Domain names have consequently come into conflict with more traditional forms of business identifiers used before the advent of the Internet. This system of business identifiers were conventionally protected by a range of intellectual property rights, of which trade marks would be the most relevant to the discussion at hand. Domain names are usually registered on a first-come-first-serve basis, and only contingent on the payment of the registration fee levied by the particular domain-name registrar. The registrars need to ensure only that the requested domain names are unique,¹⁷ and accordingly, generally, do not make any determination regarding the legality of the requested domain names. The fact that the registration of a particular domain name could possibly infringe the trade marks or other rights of third parties is not determined.¹⁸ The stark reality is that many businesses and individuals found their brands and names already registered as domain names. The fact that open gTLDs are limited in number,¹⁹ coupled with the fact that the '.com' TLD was, and still is, considered to be the prime location on the Internet, left many companies at sea and without a presence on the Internet. Thousands of domain names were registered with the ulterior motives of reselling the domain names for profit, or of using established trade marks and brands to attract custom to web sites by registrants with no actual relation or right to the mark or brand.²⁰

¹⁶ WIPO Final Report op cit note 8 ¶ [10]; Rains Christopher P 'A Domain By Any Other Name: Forging International Solutions for the Governance of Internet Domain Names' (2000) 14 *Emory International LR* 355 at 362.

¹⁷ Domain name registrars do however require registrants to provide certain administrative information.

¹⁸ Friedman and Deane op cit note 5 at 362 and Froomkin op cit note 2 at 620. ICANN, with the assistance of the World Intellectual Property Organization (WIPO), is considering certain 'Rights Protection Mechanisms' for the adoption in the new gTLD registries, such as the 'Post-Delegation Procedure' proposed by WIPO. See WIPO's Letter to ICANN (13 March 2009), available at <<http://www.wipo.int/export/sites/www/amc/en/docs/icann130309.pdf>> (accessed 20 April 2011).

¹⁹ Until 2001, .com, .org, and .net were the only three open gTLDs. There are currently 21 gTLDs, of which some are restricted gTLDs. For a detailed analysis of eligibility criteria and the sponsored status of gTLDs, see also Lindsay op cit note 12 Table 1.1 and Table 1.2.

²⁰ As to whether domain names can be regarded as property in a strict legal sense, see the discussion in chapter 3 section 3 below. For useful information and advice regarding the choosing, registration, and protection of domain names, see Adediran Peter A *Practical Guide to Business, Law and the Internet* (2002); Elias Stephan and Gima Patricia *Domain Names: How to Choose and Protect a Great Name for Your Website* (2001).

It was, therefore, only a matter of time before an inherent tension between domain names and intellectual property rights became apparent, which tension raises challenging policy questions. The DNS system that is essentially a privately administered system confers rights through registrations that can be accessed from around the globe, giving the 'rights holder' an international presence. The intellectual property rights system, by contrast, is publicly administered on a strictly territorial basis, and confers rights only within a specific territory.²¹

1.1.2 The Resolution Hierarchy of the Domain Name System

I stated earlier that the DNS has a hierarchical architectural design in order to ensure the uniqueness of each domain name. Parties wanting to have a unique domain name registered must do so with the registry of the particular TLD in which the domain name will appear, or with a registrar that has an agreement with the registry of that particular domain name. A registrar will issue only a unique domain name. The '.net' TLD registry and contracted registrars will accordingly register a second-level domain name in that TLD only if the same second level domain is not already registered, in this way ensuring that the domain name is unique. All the 'TLD registry' organisations have databases that contain data about all the domain names in that particular registry. The database for the '.net' registry will, for example, contain the Internet location, or Internet Protocol (IP) address, of 'kalahari.net'. In order for one's computer to be able to find the Internet address of 'kalahari.net' one's computer must be able to locate the database for the '.net' registry. I shall now look at the interdependent, distributed hierarchical database of the DNS system to determine how this is done.

At the tip of the DNS pyramid lies a single data file that contains an inventory of the computers that contain master lists of all the registrations in each TLD – the Internet's master addressing computer or the so-called 'A root' (sometimes also referred to as the 'legacy root').²² This root zone file is structured in parallel on thirteen different special

²¹ See WIPO 'Primer on Electronic Commerce and Intellectual Property Issues' (May 2000) 48, available at <http://www.ehealthstrategies.com/files/WIPO_primer.pdf> (accessed 4 April 2011). For a more detailed discussion of the territoriality of trade marks, see chapter 3 section 2 below.

²² See ICANN 'A Unique, Authoritative Root for the DNS' Internet Coordination Policy 3 (ICP-3) (2001), available at <<http://icann.org/icp/icp-3.htm>> (accessed 25 May 2011); Meeks Brock N 'Fort N O C's: The Heart of Internet Security Lies in Obscurity' (2004), available at <http://www.msnbc.msn.com/id/4009568/ns/us_news-security/t/fort-nocs/> (accessed 26 May 2011) (the security protection of the root server).

computers, referred to as the root servers distributed around the world (most of them situated in the United States of America), identified by the letters A-M.²³ They are coordinated by ICANN and contain a copy of all the TLD servers and registries that have the full databases of registered names and their associated IP addresses. This is done to spread the workload and back each other up. These include both the generic top-level domains (gTLDs) as well as the country-code top-level domains (ccTLDs).

The information held by the root servers is critical, because if it is not absolutely accurate or is slightly ambiguous, it will not be possible to locate a key registry on the Internet. That is why the data needs to be unique and authentic, and why the root servers are said to be authoritative, because most computers on the Internet get their data from the root servers, or at least from a cached copy of their data from somewhere lower down in the hierarchy. The data from the root servers are authoritative, because they get their data from the 'A root'.²⁴ Specifically, because the 'A root' and the TLD zones both delegate 'sub-zones' to multiple independent parties, the correct operation of their servers and the operation of the delegation hierarchy are essential and critical to the stability of the DNS infrastructure.²⁵

Domain-name resolution is done by sending domain-name queries to a set of databases linked hierarchically. Scattered across the Internet are computers known as 'resolvers' that routinely cache the information they receive and process from queries to the root servers.²⁶ Their basic function is to respond to a request to resolve a domain name by finding the corresponding IP address. The query starts at the bottom (base of the pyramid), for example, at the name server selected by the user's Internet Service Provider. If the required data is not in that particular name server, the query works its way up the pyramid until the name is resolved.²⁷

²³ For root server operators and locations, see <<http://www.root-servers.org>> (accessed 23 May 2011). See further Froomkin op cit note 3 at 43; Lindsay op cit note 12 ¶ [1.17].

²⁴ See 'The Domain Name System: A Non-technical Explanation – Why Universal Resolvability Is Important', available at <<http://internic.net/faqs/authoritative-dns.html>> (accessed 29 April 2011).

²⁵ See 'DNS Infrastructure Recommendation' by the Security and Stability Advisory Committee SAC 005 (2003) 3 'The stability of the DNS infrastructure is directly affected by the failure of either a parent or a child to maintain the correct referral information'. See also Bush R, Karrenberg D, Koster M and Izak P 'Root Name Server Operational Requirements' (June 2000) *RFC* at 2870.

²⁶ For a technical explanation of the 'resolvers', see Mockapetris P 'Domain Names – Concepts and Facilities' (November 1987) *RFC* 1034 ¶ [2.4].

²⁷ See Lindsay op cit note 12 ¶ [1.8].

Say the request made by a user is to locate the web site 'www.more.net'. The web address (domain name) 'www.more.net' will be entered into the web browser from a workstation. The DNS resolver needs the IP address for this name and sends a request to its designated DNS server for a translation of the address. The DNS server receives the resolver's request and searches its database for a record for 'www.more.net' and finds 198.209.253.70.²⁸ If the DNS server fails the resolution, it makes a request to the next server (parent server) in the hierarchy asking for the name resolution. This request will consequently be sent higher and higher up the pyramid to the next 'parent' until the authoritative server for the requested domain is found.²⁹ A successful resolution now returns the IP information. Once the DNS server receives the resolution for the address, it passes the information back to the requesting resolver: 198.209.253.70. The web server returns the web page to the workstation.

Authoritative servers do caching of information learned during queries. Caching is where servers requests information from another server that the server does not have. The server then holds the retrieved information in a temporary file called a cache, in case the same information is requested again. Servers are accordingly constantly updated with recent data from the top down, starting at the 'A root' and other authoritative servers further down the hierarchy. The servers are consequently constantly updating their data from the authoritative roots, while in the process they share the resolution responsibilities. The combination of all the DNS name servers and the architecture of the system creates a remarkable database. The database is distributed globally, but the update mechanism in each zone ensures a form of coherency on the network – if a record is out of date, the querier knows to check a more authoritative server.³⁰ This, in turn, leads to better performance of the system by providing system fault tolerance.³¹

²⁸ See Fromkin op cit note 3 at 38.

²⁹ For a detailed discussion of the distributed hierarchy of the DNS, see Klein Hans 'ICANN and Internet Governance: Leveraging Technical Coordination to Realize Global Public Policy' (2002) 18 *The Information Society* 193 at 197-198.

³⁰ For a more technical explanation of how the DNS functions, see Randall Neil 'How DNS Servers Work' (September 1996) *PC Magazine* 217; Steinke Steve 'Lesson 180: The Domain Name System' (March 2003) *Network Magazine* 18 at 22.

³¹ See Klein op cit note 29 at 197.

1.1.3 Significance of an Authoritative Root and Universal Resolution

Technically anyone can create and maintain a root system similar to the unique authoritative root as managed by ICANN, in other words maintaining a TLD that is not listed in the 'A' or legacy root.³² These 'alternate' roots or TLDs are not included in the authoritative root and are the domain names within these roots not resolvable by the vast majority of Internet users. The alternate TLDs can be resolved only by Internet users whose computers or Internet Service Providers (ISPs) use a domain name server that includes this data or knows where to find it.³³ Root competition is a form of standards competition in which the choices of users are affected by various factors such as value compatibility as well as the technical and economic features of the service itself. This is where alternate roots face serious problems in that the domain names they support have little value to an individual user unless many others use the same root zone in order to resolve names.

It could, however, be possible for major Internet role players to overcome this critical mass problem that is presently inhibiting the alternate roots from posing any serious threat to the DNS. What if Microsoft or Yahoo, or any major ISP, creates a viable alternate root, or Internet browsers configure their resolvers to make use of a new root. It is also possible for any national government to make use of an alternate root and require through persuasion or regulation that ISPs make use of this root.³⁴ Particularly the question surrounding multilingual names are creating opportunities for alternate roots.³⁵ This, coupled with the argument that ICANN is fostering a culture of root competition because of its restrictive and

³² A number of alternative root servers have been established: see, for example, <<http://www.open-rsc.org>> (accessed 16 May 2011).

³³ Froomkin op cit note 3 at 42.

³⁴ What if the Japanese government creates such an alternative root based on Japanese characters?

³⁵ A major focus area of ICANN is the internationalisation of the DNS. Technological standards for Internationalized Domain Names (IDNs) were completed by the Internet Engineering Task Force (IETF) in early 2003. IDNs are being implemented by registries around the world. 'Internationalization' in context of the DNS means that users will be able to use, for example, Arabic, Chinese and Greek characters in domain names. See <<http://icann.org/general/status-report-01aug03.htm>> (accessed 4 April 2011), and ICANN's IDN ccTLD Fast Track process, which was launched on 16 November 2009, available at <<http://icann.org/en/topics/idn/>> (accessed 14 April 2011). See Olsen Kelly 'Internet Set For Major Change' (26 October 2009) *News24.com* available at <<http://www.news24.com/SciTech/News/Internet-set-for-major-change-20091026>> (accessed 26 April 2011). For a detailed discussion of internationalised domain names, see also Murphy Kevin 'Chinese Domain Name Land-rush Imminent' (2003) Issue 4622 *Computergram Weekly* at 2 (an interesting discussion of the registration of domain names in the '.cn' ccTLD); Xue Hong 'The Voice of China: A Story of Chinese-Character Domain Names' (2004) 12 *Cardozo J of International and Comparative Law* at 12; Xue Hong 'International Intellectual Property Law in the Internationalized Domain Name System' (2006) 9 *The Journal of World Intellectual Property* at 1.

slow edition of new TLDs to the DNS, creates an extreme scarcity in the supply of TLDs. Competing roots also raise more fundamental economic and political questions regarding the authority over the Internet.³⁶

The establishment of alternate roots have been attempted many times and is an ongoing quest. Some of these attempts are often considered to be benign to the extent that they are either purely private (and thus insulated from the public DNS), or purely experimental and not intended to interfere with the DNS. Other attempts at alternate roots have, however, been commercially established in order to support TLDs to compete directly with the legacy root that is presently managed by ICANN. These alternate roots are considered to pose potential threats to the stability and reliability of the DNS.³⁷ In 2001, the Internet Coordination Policy 3 (ICP-3) 'A Unique, Authoritative Root for the DNS'³⁸ was published by ICANN. In this document ICANN identified potential consequences if these alternate roots should become prevalent, thereby affirming 'ICANN's commitment to a single authoritative root public root for the Internet Domain Name System (DNS) and to the management of that unique root in the public interest according to policies developed through community processes'.

The Internet Architecture Board (IAB) states the following:

'To remain a global network, the Internet requires the existence of a globally unique public name space. The DNS name space is a hierarchical name space derived from a single, globally unique root. This is a technical constraint inherent in the design of the DNS.

'Therefore it is not technically feasible for there to be more than one root in the public DNS. That one root must be supported by a set of coordinated root servers administered by a unique naming authority.'³⁹

According to this statement, there must be a degree of cooperation and a consequent generally agreed upon set of rules for the assignment of domain names in the root.

³⁶ Mueller Milton L *Competing DNS Roots: Creative Destruction or Just Plain Destruction?* (2001) TPRC's Research Conference on Communication, Information, Cabbages and Kings.

³⁷ For discussions of the potential problems created by alternate roots, see WIPO 'The Recognition of Rights and the Use of Names in the Internet Domain Name System: Report of the Second WIPO Internet Domain Name Process' (2001) ¶¶ [36]-[39], available at <http://www.wipo.int/export/sites/www/amc/en/docs/report-final2.pdf> (accessed 17 May 2011); <<http://www.domainsnext.com/dnsstatement.htm>> (accessed 17 May 2011).

³⁸ See <<http://www.icann.org/icp/icp-3.htm>> (accessed 27 April 2011).

³⁹ See RFC 2826 'IAB Technical Comment on the Unique DNS Root', available at <<http://www.rfc-editor.org/rfc/rfc2826.txt>> (accessed 6 April 2011).

Although it is an accurate description of the initial architectural design of the DNS, it provides no answers to the fundamental policy questions raised by the existence of alternate roots.⁴⁰

1.2 Technical Evolution of the Internet

1.2.1 Introductory Remarks

The Report of the World Intellectual Property Organization Internet Domain Name Process, 'The Management of the Internet Names and Addresses: Intellectual Property Issues', states:

'The Internet can be very simply described as a, or the, network of networks. That simple technical description, however, lacks the eloquence to speak of the profound ways in which the Internet is effecting the way in which we communicate with each other, the way we express ourselves, the way we learn, the way we do business and the way in which we interact culturally.'⁴¹

This report, while admitting that we are still not able adequately to articulate what the Internet is as a social phenomenon, identifies six features of the Internet that indicate that it is a distinct phenomenon that profoundly changed our world: (1) The Internet is subject to exponential growth, with millions of users connecting on an annual basis. The world-wide percentages at which the growth manifested itself exceeded all predictions,⁴² as it still does today. (2) The Internet is an increasingly affordable and a relatively low-cost medium relative to the advantages of being able to participate in the advantages it offers. The Internet can accordingly be regarded more as a popular than an elitist medium.⁴³ (3) The multi-functional character of the Internet permits forms of expression including text, sound, and image, making it possible to be used in a full range of human activities such as education, research, politics, social communication, entertainment, and commerce.⁴⁴ (4) There has not been a central rule-making entity that has exercised comprehensive legislative authority, and the Internet thus does not have a central point of absolute authority or control, because its technical development has been guided by protocols established

⁴⁰ For a detailed and comprehensive discussion of the technical and political aspects associated with the Internet Domain Name System, see Mueller Milton *Ruling the Root: Internet Governance and the Taming of Cyberspace* (2002).

⁴¹ WIPO Final Report note 8 ¶ [1].

⁴² ¶ [2(i)].

⁴³ ¶ [2(ii)].

⁴⁴ ¶ [2(iii)].

through participatory decision-making processes.⁴⁵ (5) Multi-jurisdictionalism is a result of the fact that the Internet is a medium that can be accessed from any place on earth, with information travelling through various countries or jurisdictions by way of packet-switching technology in order to reach its destination. It is a truly global medium that is imposed on a traditional system of separate physical jurisdictions.⁴⁶ (6) The regulation of the Internet is non specific in the absence of international legislative regulation and the existence of few national legislative authorities specifically directed at the Internet.⁴⁷ The features mentioned makes the formulation of policy in relation to any facet of the Internet's operation very difficult, because many different interests in many different international jurisdictions are concerned.⁴⁸

The digital revolution has transformed the world of communication like nothing in history has managed to do.⁴⁹ Innovations in telecommunications have steadily brought down the cost, while constantly increasing the speed, the scope (the amounts and types of information), and distance that information can be transmitted. Innovation replaces tradition. The Internet has been fertile ground for innovation, driven by ever newer technologies, impacting on most spheres of modern life while literally hurling us into an uncertain globalised future. To some, globalisation (the technological revolution) implies the end of human history; others see it in a more benign context – as merely the end of geography.⁵⁰ Impacting on most spheres of modern life and society it presents new challenges. Courage fails most when endeavouring to predict the magnitude and scope of future developments in the futuristic global society. Most will, however, venture to say that it will be staggering. Inescapable change with inescapable consequences obligate the law and policy makers to devise creative solutions and establish the necessary legal

⁴⁵ ¶ [2(iv)].

⁴⁶ ¶ [2(v)].

⁴⁷ ¶ [2(v)]. The situation regarding few exercises of national legislative authority specifically directed at the Internet has changed considerably since the report was published in 1999. Many countries have since enacted national legislation regarding Internet regulation: South Africa enacted the Electronic Communications and Transactions Act 25 of 2002.

⁴⁸ ¶ [3]. For further discussion of the special features of the Internet environment, see WIPO Second Domain Name Process note 37 ¶¶ [59]-[64].

⁴⁹ The dramatic pace of growth of the World Wide Web, a central feature of the Internet, can be seen if compared to other forms of communication in the number of years it took to reach 50 million users. The telephone took 74 years, the radio took 38 years, and television took 13 years to reach 50 million users. The World Wide Web took only 4 years to reach 50 million users. See International Telecommunication Union (ITU) *Challenges to the Network: Internet for Development* (1999) 2.

⁵⁰ See Bauman Zygmunt *Globalization: The Human Consequences* (1998) 12.

infrastructure to stay in tune with the needs of our diversified society. At present we only seem to react to the pressure of circumstance.

Before venturing into the black hole of uncertainty regarding the demands of sculpting a legal landscape to meet the needs of the challenging present and daunting future, it might be worth having a look at the only certain thing (the past) – the evolutionary history of the Internet and the DNS. The complex ‘history’ of the Internet, spanning only a few decades, involves numerous aspects along various dimensions. These aspects include strict technological advancement, the inescapable organisational order, and the always present societal impact.

1.2.2 Brief Background of the Development of the Internet

The development of the network that is today known as the Internet was a very complex and technical process that spanned a period of more or less 40 years.⁵¹ The history of the Internet is not the focus of this thesis and in the discussion that follows I shall give merely a truncated and generalised discussion of the development of the Internet.

The original network of computers, called the ARPANET,⁵² was set up in September 1969 as a joint venture between the Massachusetts Institute of Technology and the United States’ Department of Defence as a method for ensuring continued communication between remote computers in the event of war.⁵³ The ARPANET grew node by node into first a national, and then an international, network of computers.⁵⁴ The original ARPANET, with the idea of multiple independent networks, steadily grew into the Internet.

⁵¹ See Chivers Tom ‘The Internet’s 40th Birthday: Anniversary of Arpanet’ (23 October 2009) *Telegraph.co.uk* available at <<http://www.telegraph.co.uk/technology/news/6415607/The-internets-40th-birthday-anniversary-of-Arpanet.html>> (accessed 19 April 2011).

⁵² Ibid. ARPANET is the acronym for Advanced Research Projects Administration Network.

⁵³ See Leiner Barry M, Cerf Vinton G, Clark David D, Kahn Robert E, Kleinrock Leonard, Lynch Daniel C, Postel Jon, Roberts Larry G and Wolff Stephen *A Brief History of the Internet* (2002-2003), available at <<http://www.isoc.org/internet/history/brief.shtml>> (accessed 2 May 2011); LiRocchi Michael V, Kepler Stephen J and O’Brien Robert C ‘Trade Marks and the Internet: Domain Names in the Digital Millennium’ (1999) 4 *UCLA J for International Law and Foreign Affairs* 377 at 380; Murray op cit note 35 at 286.

⁵⁴ The first international connections to the ARPANET: University College of London (England) via Norway in 1973. On 26 March 1976, Queen Elizabeth II sends out an email from the Royal Signals and Radar Establishment in Malvern (see Hobbes Zakon Robert ‘Hobbes’ Internet Timeline’ (1993-2004), available at <<http://www.zakon.org/robert/internet/timeline/>> (accessed 11 May 2011).

During the seventies the network went through a difficult adolescence,⁵⁵ a period during which a protocol called TCP (Transmission Control Protocol) which was responsible for establishing connections between host computers, verifying the arrival of packets of information, error correction, and data flow management, was developed.⁵⁶ In March 1978, the original TCP was reorganised into two protocols – the simple IP (Internet Protocol) which provided only for addressing and forwarding of individual packets, and the separate TCP, which would be concerned with service features such as flow control and recovery from lost packets. In 1983, TCP/IP was established as the protocol suite for ARPANET and the United States Department of Defence with all host computers required to adopt the protocol.⁵⁷ With the implementation of the TCP/IP protocol, the network became known as the 'Internet'.⁵⁸ Today we still use the TCP and IP protocols.⁵⁹

The large scale growth of personal computers and workstations during the eighties caused the Internet to flourish. In 1984, the DNS was introduced to make it easy for people to use the network.⁶⁰ The rapid increase in size and constant evolution of the Internet constantly provided many challenges, from creating new routing models to making constant updates to software.⁶¹

1.2.3 The Evolution of the Domain Name System (DNS)

It can be said that the Internet's evolution to its present form of sophistication and its consequent rise to prominence happened by accident. No grand plan, and certainly no appreciation of its future growth and international relevance, existed when the United States government funded the initial projects that started it all. The United States government accordingly came to control the DNS purely by chance. The first hosts.txt file (the historic equivalent of the current root file) developed by Peggy Karp contained the entire name-space during the seventies.⁶² The hosts.txt file was turned over to the Stanford Research

⁵⁵ Murray op cit note 35 at 286.

⁵⁶ Lindsay op cit note 12 ¶ [1.1].

⁵⁷ Idem ¶ [1.2]; Murray op cit note 35 at 287.

⁵⁸ Lindsay op cit note 12 ¶ [1.2].

⁵⁹ See, for example, Taylor Ed *TCP/IP Complete* (1998), one of many books offering a technical explanation of the core components and issues related to TCP/IP.

⁶⁰ See Leiner and others op cit note 53; Mockapetris P 'Domain Names – Implementation and Specification' RFC 883 Internet Engineering Task Force (1983), available at <<http://www.ietf.org/rfc/rfc0883.txt>> (accessed 18 May 2011).

⁶¹ For a detailed discussion of the history of the Internet in South Africa, see Leiner and others op cit note 53.

⁶² See Klein op cit note 29 at 197; Mockapetris op cit note 26.

Institute (SRI) in 1972.⁶³ The SRI Network Information Centre (NIC), then the Defense Data Network (DDN) NIC, and then the Defense Information Systems Agency (DISA) NIC, maintained the hosts.txt file for the next decade and a half. The specification for the implementation of the modern DNS, written by Paul Mockapetris,⁶⁴ took several years to implement.⁶⁵ In the mean time, the system was controlled by the SRI NIC for DISA, essentially hosting the root file while also serving as the domain-name registrar and registry for most gTLDs. The standards and policy responsibility fell on the shoulders of Jon Postel who received research grants from the United States Department of Defence. In 1984, Postel wrote 'an official policy statement' of the Internet Architecture Board⁶⁶ and the Defense Advanced Research Projects Agency (DARPA) that fixed the original list of TLDs (including the well-known gTLDs '.com', '.org', '.edu', '.mil', '.gov', and the ccTLDs) as official government policy.⁶⁷ The responsibility for managing the expansion of the DNS was formally transferred from DISA to the Information Science Institute (ISI) in 1985, and, in 1988, the ISI, under leadership of Jon Postel,⁶⁸ took over the operation of the DNS under authority of the United States Department of Defence, and the auspices of the newly established Internet Assigned Numbers Authority (IANA),⁶⁹ a contractor of the United States government.⁷⁰

In 1990, DISA awarded the NIC contract to Government Systems Inc, that subsequently subcontracted it to Network Solutions Inc (NSI) who started operating the NIC in 1992.

⁶³ Froomkin op cit note 3 at 50.

⁶⁴ See Mockapetris P 'Domain Names – Concepts and Facilities' RFC 882 Internet Engineering Task Force (1983) available at <<http://www.ietf.org/rfc/rfc0882.txt>> (accessed 23 April 2011); and Mockapetris P 'Domain System Changes and Observations' RFC 973 Internet Engineering Task force (1986) available at <<http://datatracker.ietf.org/doc/rfc973/>> (accessed 4 April 2011).

⁶⁵ The first implementation of DNS server software was Jeeves, written by Paul Mockapetris. Kevin Dunlop later wrote an implementation for Berkeley University in California called BIND (Berkeley Internet Domain). BIND is the most widely used implementation of the DNS. See Albitz P and Liu C *DNS and BIND* (2001) (4th ed). See also Lindsay op cit note 12 ¶ [1.22] for a detailed discussion of BIND.

⁶⁶ The Internet Architecture Board was a private Internet standards body.

⁶⁷ See Postel J and Reynolds J 'Domain Requirements' RFC 920 Internet Engineering Task Force (1984) available at <<http://www.ietf.org/rfc/rfc0920.txt>> (accessed 8 May 2011) and Froomkin op cit note 2 at 617.

⁶⁸ Jon Postel, who passed away in 1998, was one of the most prominent Internet pioneers and had a massive influence on Internet Administration. It was Postel who largely determined the development of the domain name system up to the commercialisation of the Internet in the late nineties. See Bettinger Torsten (ed) *Domain Name Law and Practice : An International Handbook* (2005) at 6 n 3 and Klein op cit note 29 at 198.

⁶⁹ IANA was originally responsible for the oversight of IP address allocation, the coordination of the assignment of protocol parameters provided for in Internet technical standards, and the management of the DNS, including the delegation of TLDs and oversight of the root server system.

⁷⁰ Bettinger op cit note 68 at 6 and Hobbes op cit note 54 at 10.

In 1993, the National Science Foundation (NSF) took over the funding of the NIC from the United States Department of Defence and concluded a five-year 'cooperative agreement' for the domain-name registration services for the non-military Internet with Network Solutions (NSI).⁷¹ Network Solutions was accordingly responsible for the computers that maintained the root zone while it also handled the registration of second-level domains in the TLDs '.com', '.net', and '.org' on a first-come-first-served basis. Note that NSI only had control of the operational side of the DNS while following policy as prescribed by IANA.⁷² The United States Department of Defence still funded IANA, in this way ensuring that policy control of the root zone remained firmly in government hands.⁷³

In 1994, Jon Postel submitted the policies and procedures for the assignment of domain names, including the creation of new TLDs and the requirements for management of ccTLDs which, at the same time, also set up the 'first-come-first-serve principle' of domain-name registration.⁷⁴ Later in the same year, he and Reynolds presented a new account of IANA's status as central coordinator for the assignment of the values for Internet protocols.⁷⁵ The DNS administration by IANA was to be pursuant to these principles. Even though IANA was charged with the policy-making responsibilities of the DNS, NSI's control over the registration practicalities put it in a position to implement decisions that clearly had policy implications. Looming the largest of these was NSI's 'dispute policy' that provided that a domain name would be put 'on hold' if any body or person had a trade mark on a word identical to that particular domain name, rendering it useless in a practical sense.⁷⁶ This controversial policy had the beneficial effect of limiting the institution of lawsuits by trade-mark proprietors who was financially much stronger and legally better represented than the registrants not holding trade marks.⁷⁷

⁷¹ See 'NSF Cooperative Agreement No NCR-9218742' (1993), available at <<http://www.icann.org/en/nsi/coopagmt-01jan93.htm>> (accessed 5 May 2011). This contract was renewed on a number occasions. These contracts are available at <<http://www.icann.org/nsi/nsi-agreements.htm>> (accessed 13 May 2011).

⁷² See Lindsay op cit note 12 ¶ [2.5] for a detailed discussion of IANA; chapter 4 section 1 below.

⁷³ Klein op cit note 29 at 198.

⁷⁴ See Postel J 'Domain Name System Structure and Delegation' RFC 1591 Internet Engineering Task Force (1994) available at <<http://www.ietf.org/rfc/rfc1591.txt>> (accessed 1 April 2011) and Froomkin op cit note 3 at 55.

⁷⁵ See Reynolds J and Postel J 'Assigned Numbers' RFC 1700 Internet Engineering Task Force (1994), available at <<http://www.ietf.org/rfc/rfc1700.txt>> (accessed 19 April 2011); Froomkin op cit note 3 at 56.

⁷⁶ The dispute policy of NSI was amended a number of times. For a more detailed discussion of the NSI dispute policy see Oppedahl Carl 'Analysis and Suggestions Regarding NSI Domain Name Trademark Dispute Policy' (1996) 7 *Fordham Intellectual Property Media and Entertainment LJ* at 73.

⁷⁷ See Froomkin op cit note 3 at 59.

During the late nineties, NSI and the DNS as a whole were subject to fierce criticism, directed particularly against NSI's registration policies and the lack of procedures for the extrajudicial resolution of domain name conflicts.⁷⁸

1.2.4 Procedural and Institutional Innovation

The Internet Ad Hoc Committee (IAHC) was organised by IANA and the Internet Society in 1996, with the mandate of remodeling the structure of the DNS.⁷⁹ In 1997, the IAHC published a report containing recommendations for the administration and management of the gTLDs,⁸⁰ while also attempting to address the problems inherent in establishing a legitimate DNS governance structure. This was hoped to be achieved by means of a framework agreement named the Generic Top Level Domain Memorandum of Understanding (gTLD-MoU).⁸¹ The main goal of this document was to establish a self regulatory governing structure for the DNS while at the same time addressing the need for creating several new TLDs.⁸²

A central aspect of the report was the establishment of Administrative Domain Name Challenge Panels (ACPs) that were to conduct online domain-name dispute settlement for the new TLDs and was to be run by WIPO's Arbitration and Mediation Center.⁸³ The critical question regarding the legitimacy of Internet regulation bodies, that is still prevalent today (and which will probably be for years to come), was also asked regarding the authority of IAHC to bring the ACPs to life. The gTLD-MoU unequivocally stated that it was not a source of public international law, although it envisaged the International Telecommunications Union to administer the gTLD-MoU similar to the

⁷⁸ Bettinger op cit note 68 at 7.

⁷⁹ The Internet Ad Hoc Committee (IAHC) was comprised of United States governmental bodies such as the Federal Network Council (FNC), international organisations and private bodies, like the Internet Architecture Board, IANA, the Internet Society, the International Trademark Association, WIPO and the National Science Foundation among others. The IAHC was dissolved in May 1997. Bettinger op cit note 68 at 7; Lindsay op cit note 12 ¶ [2.8].

⁸⁰ International Ad Hoc Committee (IAHC) 'Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs' (4 February 1997), available at <<http://www.docstoc.com/docs/4246342/IAHC-Proposal>> (accessed 26 April 2011).

⁸¹ The 'Generic Top Level Domain Memorandum of Understanding' (28 February 1997) is available at <<http://www.itu.int/net-itu/gTld-mou/gTLD-MoU.htm>> (accessed 8 May 2011).

⁸² See Helfer Laurence R and Dinwoodie Graeme B 'Designing Non-National Systems: The Case of the Uniform Domain Name Dispute Resolution Policy' (2001) 43 *William and Mary LR* 141 at 158.

⁸³ gTLD-MoU op cit note 81 §§ 2(f) page 8.

administration of a treaty.⁸⁴ No clear source of legitimacy existed for the ACPs, except maybe in what Helfer and Dinwoodie describe as the 'sovereignty of netizens in matters of the Internet'.⁸⁵ Many were sceptical of the gTLD-MoU and the ACPs. National governments did not support it, while others criticised its accountability and perceived bias towards trade-mark interests. Certain key developments within the domain-name system initiated by the United States government, which exercised de facto veto power over the domain-name system as a result of its control over the root server, shortly after the birth of the gTLD-MoU and ACPs, soon led to their premature demise.⁸⁶

1.2.5 The Redesigning of the Domain Name System Authority and Management Structure (The United States Government White Paper)

A number of factors, including the sensitive intellectual-property issues brought to the fore by large scale trade-mark infringement (particularly cybersquatting), the unacceptable contraction in the creation of new TLDs, controversial policy considerations pertaining to the United States government's effective control over the global network, as well as numerous commercial considerations forced the hand of the United States government in directing their attention to addressing these concerns. On 1 July 1997, the then-President of the United States of America, William J Clinton, charged the United States Department of Commerce with privatising the DNS in order to increase competition and facilitate international participation in the management of the DNS by divesting the United States government of authority over critical elements of the Internet's infrastructure.⁸⁷ As a result of the Presidential direction, the Department of Commerce issued a request for comments on the administration of the DNS, on 2 July 1997, on behalf of an inter-agency working group under leadership of Ira Magaziner.⁸⁸ Pursuant to the comments received, the National Telecommunications and Information Administration (NTIA), an agency of

⁸⁴ See Mueller Milton 'Technology and Institutional Innovations: Internet Domain Names' (2000) 5 *International J of Communication Law and Policy* 1 at 17.

⁸⁵ See Helfer and Dinwoodie op cit note 82 at 159: they also state that it could have been more practical if a broad consensus on the dispute settlement policy could be achieved, whereby it could then be enforced through contractual relationships between domain name registrants and registrars.

⁸⁶ Idem at 160-164, for a detailed discussion regarding the nature and novel features of ACP dispute settlement.

⁸⁷ See President Clinton William J and Vice President Gore Albert Jr 'A Framework for Global Electronic Commerce' (1 July 1997), available at <<http://www.uazone.org/gis/ecomm.htm>> (accessed 31 May 2011); Lindsay op cit note 12 ¶ [2.9].

⁸⁸ See Fromkin op cit note 3 at 63. See US Department of Commerce 'Request for Comments on the Registration and Administration of Internet Domain Names' 62 Fed Reg 35,896, 35,896 (1 July 1997).

the United States Department of Commerce, issued for response 'A Proposal to Improve the Technical Management of Internet Names and Addresses' (the so-called Green Paper).⁸⁹

The Green Paper plotted details regarding the road forward for the United States domain-name policy and the management of the DNS, the most noteworthy measure being the creation of a new corporation responsible for DNS administration managed by an international and representative Board of Directors.⁹⁰ The Green Paper, however, was not received enthusiastically and encountered substantial criticism for the perceived attempt by the United States Government to control the once self-governing Internet.⁹¹ These criticisms made it clear that reaching broad based consensus or even expecting some form of political compromise amounted to daydreaming when DNS regulation was at issue.

In June 1998, only a few months after the release of the Green Paper, the United States Department of Commerce released its non-binding statement of Policy on the 'Management of Internet Names and Addresses' (the so-called White Paper).⁹² Learning from previous mistakes, the policy left the path of substantive rule-making and took the road less travelled in the United States DNS administration history by conceding to the principle of privatisation by calling for the creation of a new, private, not-for-profit corporation to take over the coordination of specific DNS functions and spearhead reform for the benefit of the broad based Internet community.⁹³ Embodying the United States' comprehension of the new body, and learning from the approach proposing rule-making by a United States government agency taken in the 'Green Paper', the White Paper placed strong emphasis on the critical importance of representation in ensuring democratic legitimacy for the new

⁸⁹ See National Telecommunications and Information Administration (NTIA) 'A Proposal to Improve the Technical Management of Internet Names and Addresses' 63 Fed Reg 8,825 (Feb 1998).

⁹⁰ See Bettinger op cit note 68 at 8.

⁹¹ See Council of the European Union and the European Commission 'Reply of the European Community and its Member States to the US Green Paper' (16 March 1998). In this document the European Commission clearly expressed its dissatisfaction with the dominance of the United States' administration of the Internet. See also Mueller op cit note 40 at 168.

⁹² See National Telecommunications and Information Administration (NTIA) 'Management of Internet Names and Addresses' 63 Fed Reg 31,741 (5 June 1998) (the 'White Paper'), available at <<http://www.icann.org/en/general/white-paper-05jun98.htm>> (accessed 10 April 2011).

⁹³ The Internet Corporation for Assigned Names and Numbers (ICANN) would later be recognised by the Department of Commerce as the new, private, not-for profit organisation that would ultimately be responsible for the management of the DNS. See section 1.3 below for a detailed discussion on the establishment of ICANN.

body, stating that the structures of the body must 'reflect the functional and geographic diversity of the Internet and its users' and be 'broadly representative of the global Internet community'.⁹⁴

The White Paper set forth four critical 'Principles for a New System' that the United States government saw as imperative before it would be prepared to hand down the ultimate responsibility for the governance of the DNS to a private body: (1) maintaining the stability of the Internet in the process of transition and thereafter; (2) supporting competition and consumer choice within the Internet; (3) giving effect to private, bottom-up coordination of the DNS that will be more flexible than government (top-down control) to better meet the needs of the changing and progressive Internet environment; (4) representing the interests of Internet users on a global scale in developing infrastructure policies.⁹⁵ A consultative process, the International Forum on the White Paper (IFWP) in which a whole spectrum of interested parties participated followed shortly which developed and presented various drafts of the articles of incorporation and the bylaws of the new governing organisation to the United States Department of Commerce.⁹⁶ These draft documents for the first time referred to the proposed corporation as the Internet Corporation for Assigned Names and Numbers (ICANN).⁹⁷

1.3 *The Internet Corporation for Assigned Names and Numbers (ICANN)*

1.3.1 Introduction to ICANN

The history of the DNS is also the story of how ICANN came about. Depending on who asks one to tell the story, it can sound like two versions of a children's story – with the long awaited knight in shining armour arriving on the horizon to save the day, or more like that of a wolf, whether he is entering through the front door or the chimney, whose intentions should always be viewed with some circumspection. The tale of the DNS started out innocently enough a few decades ago, as briefly discussed above, while its

⁹⁴ See the White Paper op cit note 92 at 749 and 750 respectively.

⁹⁵ Idem at 749. See also Nunziato Dawn C 'Freedom of Expression, Democratic Norms and Internet Governance' (2003) 52 *Emory Law Journal* 187 at 233; Froomkin op cit note 3 at 67; Lindsay op cit note 12 ¶ [2.10] and Bettinger op cit note 68 at 10. See also LiRocchi, Kepler and O'Brien op cit note 53 at 430-434 for a more detailed discussion of the 'White Paper'.

⁹⁶ See Mueller op cit note 40 at 177 and Bettinger op cit note 68 at 11.

⁹⁷ Lindsay op cit note 12 ¶ [2.11].

existence was only significant for a limited number of people and organisations and its management largely informal. But as the Internet matured during the nineties, exploding into prominence, especially in the realisation of its immense commercial value, so did it also lose its innocence. Many had to a lesser or greater extent vested interests in DNS policy and rule making, leading to many conflicts, most of which is still very relevant today. Most of these conflicts ultimately flow from one fundamental question, the most contentious point of conflict – who has control over the DNS? The answer at the moment is very simply, ICANN.⁹⁸

1.3.2 Formation and Contractual Basis of ICANN

The deadline set for the formation of the proposed new corporation proposed by the White Paper and the IFWP process⁹⁹ was meant to coincide with the expiry of the cooperative agreement between the United States government and NSI¹⁰⁰ by the end of September 1998. ICANN was consequently formally incorporated under Californian law by October 1998,¹⁰¹ followed shortly afterwards by the conclusion of a Memorandum of Understanding (MOU) between the United States Department of Commerce and ICANN in November 1998 which placed a seal of approval on the official recognition of ICANN as the organisation responsible for the domain name registration functions.¹⁰² The Memorandum of Understanding paved the way for a number of interlocking contractual arrangements between the United States Department of Commerce, ICANN and NSI that essentially provide the formal legal structure for DNS governance till this day.

Following the Memorandum of Understanding was an agreement entered into in December 1998 between the University of Southern California and ICANN for the transfer of the IANA

⁹⁸ The legitimacy of ICANN and ICANN's 'control' over the DNS have since the establishment of ICANN been the subjects of heated debate. For detailed discussions in this regard see Proffitt Angela 'Drop the Government, Keep the Law: New International Body for Domain Name Assignment can learn from United States Trademark Experience' (1999) 19 *Loyola of Los Angeles Entertainment LJ* 601; Liu Joseph P 'Legitimacy and Authority in Internet Coordination: A Domain Name Case Study' (1999) 74 *Indiana LJ* 587; Weinberg Jonathan 'ICANN and the Problem of Legitimacy' (2000) 50 *Duke LJ* 189; Klein op cit note 29; Froomkin op cit note 3.

⁹⁹ See section 1.2.5 above.

¹⁰⁰ See section 1.2.3 above.

¹⁰¹ See Froomkin op cit note 3 at 72; Weinberg op cit note 98 at 209.

¹⁰² See *Memorandum of Understanding Between the US Department of Commerce and the Internet Corporation for Assigned Names and Numbers* (25 November 1998), available at <<http://icann.org/general/icann-mou-25nov98.htm>> (accessed 19 April 2011).

functions and responsibilities to ICANN.¹⁰³ In February 2000, the NTIA entered into a contract with ICANN for the performance of the IANA technical functions in terms of which the United States government essentially approved the transfer of the functions and responsibilities from the University of Southern California to ICANN.¹⁰⁴ This contract has since been modified, extended, and renewed a number of times.¹⁰⁵

1.3.3 ICANN's 'Mission'

ICANN is an organisation quite unlike any political or organisational body which has been established to oversee similar key global issues or phenomena in the past. ICANN is neither an intergovernmental treaty organisation (IGO), nor a non-governmental organisation with individual or institutional members (NGO), nor a typical profit-orientated transnational corporation.¹⁰⁶ ICANN is a unique and unprecedented type of international organisation which ultimately represents a large number of diverse stakeholders from around the globe, with both elected bodies and nominated representatives, numerous committees, councils, constituencies, and supporting organisations, but without any direct involvement of either intergovernmental organisations or national governments.¹⁰⁷

It is therefore not surprising that the scope of ICANN's functions and responsibilities has been a very controversial topic. ICANN has been the subject of serious debates which mostly turn on the important question of whether ICANN was a purely technical coordination body or whether it was a policy-making body. With many arguing that ICANN overreached its primary scope of coordinating the technical functions of the

¹⁰³ See *University of Southern California/ICANN Transition Agreement* (24 December 1998), available at <<http://www.icann.org/en/general/usc-icann-transition-agreement.htm>> (accessed 24 May 2011). See the discussions regarding IANA in section 1.2.3 above and chapter 5 section 1 below.

¹⁰⁴ See *ICANN/US Government Contract for the IANA Function* (9 February 2000), available at <<http://www.icann.org/en/general/iana-contract-09feb00.htm>> (accessed 2 April 2011).

¹⁰⁵ Since being entered into, the ICANN/IANA contract has been modified and renewed. See in this regard *Modification to ICANN and the United States Government Contract for the IANA Function* (6 September 2000), available at <<http://www.icann.org/en/general/iana-contract-modification1-06sep00.htm>> (accessed 6 April 2011); *Contract Between ICANN and the United States Government for Performance of the IANA Function* (17 March 2003), available at <<http://www.icann.org/en/general/iana-contract-17mar03.htm>> (accessed 2 May 2011); *Contract Between ICANN and the United States Government for Performance of the IANA Function* (11 August 2006), available at <<http://www.icann.org/en/general/iana-contract-14aug06.pdf>> (accessed 19 April 2011). The current version of this contract was the contract entered into 11 August 2006, which includes options to renew the contract to September 2011. For a more detailed discussion of the contractual basis for DNS governance, see Lindsay op cit note 12 ¶¶ [2.12] and [2.13].

¹⁰⁶ Bettinger op cit note 68 at 12.

¹⁰⁷ Ibid.

DNS, a report on the structural reform of ICANN issued in 2002 reached the conclusion that ICANN is necessarily involved in policy-making, but that its core role should be limited to the policy areas that are reasonably related to ICANN's technical mission.¹⁰⁸

The report consequently recommended a new mission statement that was later adopted by ICANN's board of directors and incorporated into ICANN's Bylaws. According to Article I section 1 of ICANN's Bylaws ICANN's mission is to:

'coordinate, at the overall level, the global Internet's systems of unique identifiers, and in particular to ensure the stable and secure operation of the Internet's unique identifier systems. In particular, ICANN:

- 1 Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are
 - a Domain names (forming a system referred to as "DNS");
 - b Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and
 - c Protocol port and parameter numbers.
- 2 Coordinates the operation and evolution of the DNS root name server system.
- 3 Coordinates policy development reasonably and appropriately related to these technical functions'.¹⁰⁹

1.3.4 ICANN's Organisational Structure

1.3.4.1 Board of Directors

ICANN's 'Board of Directors' is responsible for the policy decisions made by ICANN. The Board of Directors consists of fifteen voting members and six non-voting liaisons, all of whom are entitled to attend meetings of the Board. The fifteen voting members are constituted by eight members selected by the Nominating Committee, which is composed of persons representing the various supporting organisations and constituencies;¹¹⁰ two members each to be selected by each of the three supporting organisations which are the Address Supporting Organisation (ASO), the Country-Code Names Supporting Organization (ccNSO), and the Generic Names Supporting Organization (GNSO) and President of ICANN ex officio.¹¹¹

In terms of ICANN's Bylaws, the Nominating Committee and the supporting organisations, in selecting the directors, must seek to ensure that the Board of Directors

¹⁰⁸ See Committee on ICANN Evolution and Reform 'ICANN: A Blueprint for Reform' (20 June 2002), available at <<http://www.icann.org/en/committees/evol-reform/blueprint-20jun02.htm>> (accessed 20 May 2011).

¹⁰⁹ See *Bylaws for the Internet Corporation for Assigned Names and Numbers*, as amended, available at <<http://icann.org/en/general/bylaws.htm>> (accessed 17 May 2011).

¹¹⁰ Article VII.2 (the composition of the Nominating Committee).

¹¹¹ Article VI.

is composed of members who in the aggregate display diversity in geography, culture, skills, experience, and perspective.¹¹² The Nominating Committee must further ensure through its selections that the Board of Directors includes at least one director who is a citizen of a country in each of ICANN's geographical regions and that no region is over-represented.¹¹³

1.3.4.2 ICANN's Supporting Organisations

Each of ICANN's supporting organisations determines its own rules and is independently organised. These organisations form a crucial part of ICANN's structure and were devised to provide guidance with regard to policy recommendations and implementation within the sphere of their specified focus areas. The main aim of the supporting organisations is to 'help promote the development of Internet policy and encourage diverse and international participation in the technical management of the Internet'.¹¹⁴

(i) Address Supporting Organisation (ASO): The Address Supporting Organisation has the function of advising the Board of Directors on policy issues relating to the operation, assignment and management of Internet addresses.¹¹⁵

(ii) Country Code Names Supporting Organisation (ccNSO): The Country Code Names Supporting Organisation is tasked with pioneering international policies relating to country-code top-level domains and nurturing consensus across the ccNSO's community.¹¹⁶ The ccNSO consists of ccTLD managers that have agreed to be members of the ccNSO and a ccNSO Council tasked with managing the policy development process of the ccNSO.¹¹⁷ The ccNSO Council consists of three members selected by the members of the ccNSO within each of ICANN's five geographic regions, three members selected by the ICANN nominating committee, and ccNSO Council liaisons and observers.¹¹⁸

¹¹² Article VI sections 2.2 and 2.3.

¹¹³ Article VI section 5. This article defines five ICANN geographic regions: Europe, Asia/Australia/Pacific, Latin America/Caribbean Islands, Africa, and North America.

¹¹⁴ See <<http://www.icann.org/en/structure/>> (accessed 6 April 2011).

¹¹⁵ Article VIII section 1.1.

¹¹⁶ Article IX section 1.

¹¹⁷ Article IX section 2.

¹¹⁸ Article IX section 3.

(iii) Generic Names Supporting Organisation (GNSO): Considered to be the most significant supporting organisation from a trade-mark perspective is the Generic Names Supporting Organisation which is tasked with the development and promotion of policies relating to the generic top level domains.¹¹⁹ The GNSO has been at the forefront of developments including the Uniform Dispute Resolution Policy (UDRP), the addition of new gTLDs, and the protection of trade marks in the new gTLDs.¹²⁰ The GNSO has a constituency structure with particular stakeholders each represented by an individual constituency. The seven GNSO constituencies represent gTLD registries, registrars, Internet service and connectivity providers, commercial and business users of the Internet, non-commercial users of the Internet, and intellectual-property interests.¹²¹

1.3.4.3 ICANN's Advisory Committees

Apart from the three supporting organisations, ICANN's structure also includes four advisory committees and two mechanisms for obtaining external expert advice. Whereas detailed policy development which leads to recommendations to the ICANN board is the responsibility of the supporting organisations, the advisory committees are responsible for providing advice to the ICANN board in their respective areas of expertise.¹²² The following four specific advisory committees provide advice to the ICANN board:

(i) Government Advisory Committee (GAC): The GAC was established to consider and provide advice on the activities of ICANN which relate to the concerns of national governments, in particular matters where they could possibly be an interaction between the policies of ICANN and various laws and international agreements or where they could possibly affect public policy issues.¹²³ The GAC is open to all national governments but is not only made up of representatives of national governments but also treaty organisations and intergovernmental organisations such as the International Telecommunications Union (ITU), the African Union Commission (AUC), WIPO, the European Commission, and various other regional bodies.¹²⁴

¹¹⁹ Article X section 1.

¹²⁰ Bettinger op cit note 68 at 14.

¹²¹ Article X section 5.

¹²² Lindsay op cit note 12 ¶ [2.24.3].

¹²³ Article XI section 2.1.

¹²⁴ For detailed lists of the current GAC governmental representatives and organisational observers see <<http://www.gac.icann.org/gac-representatives>> (accessed 14 May 2011), and <<http://www.gac.icann>

(ii) Security and Stability Advisory Committee (SAC): The role of the SAC, the members of which are appointed by the ICANN board and which are drawn from operators of the Internet Infrastructure and other security experts, is to advise the ICANN community and the ICANN board on matters relating to the security and integrity of the Internet's naming and address allocation systems.¹²⁵

(iii) Root Server System Advisory Committee (RSSAC): The RSSAC which consists of the operators of authoritative root name servers and other members appointed by the ICANN board, was established to advise the ICANN board on the operation of the root name servers of the domain-name system.¹²⁶ It also examines and advises on the different security aspects of the root name server system and reviews the number, location, and distribution of the root name servers while taking into account the performance the robustness and reliability of the complete system.¹²⁷

(vi) At Large Advisory Committee (ALAC): ALAC's role is to consider and provide advice on the activities of ICANN, in so far they relate to the interests of individual Internet users.¹²⁸ The ALAC consists of two members selected by each of the Regional At-Large Organizations (RALOs), one for each of the five ICANN geographic regions, therefore 10 members selected by the RALOs, and another five members selected by the nominating committee. The five members selected by the nominating committee must comprise one citizen of a country within each of ICANN's five geographic regions.

The following two mechanisms provide external expert advice to ICANN:

(i) Expert Advisory Panels: The ICANN board may on its own initiative or following a suggestion of an ICANN supporting organisation or advisory committee, appoint an expert advisory panel.¹²⁹ The ICANN board must, however, first consult the GAC on the appropriate source from which to seek advice if the advice sought concerns issues of

.org/gac-observers> (accessed 28 April 2011), respectively.

¹²⁵ Article XI section 2.2.

¹²⁶ Article XI section 2.3.

¹²⁷ Ibid.

¹²⁸ Article XI section 2.4.

¹²⁹ Article XI-A section 1.2.

public policy. The board may also refer any issues of public policy relating to ICANN's mission to a multinational governmental or treaty organisation.¹³⁰

(ii) Technical Liaison Group (TLG): The TLG is made up of representatives from the four organisations: the European Telecommunications Standards Institute (ETSI), the International Telecommunications Union's Telecommunication Standardization Sector (ITU-T), the World Wide Web Consortium (W3C), and the Internet Architecture Board (IAB).¹³¹ The role of the TLG is to channel technical information and guidance to the ICANN board and to other ICANN entities.¹³² This role has two components, the first of which is a responsive component which requires the TLG to connect either the ICANN board or other ICANN bodies with appropriate sources of technical information if required, while the second of the two components requires the TLG to act as 'watchdog' by drawing the ICANN board's attention to the global technical standards issues that are relevant to ICANN's activities.¹³³

1.3.4.4 Ombudsman

The ICANN Bylaws also establishes the office of the Ombudsman whose main role is to provide an independent internal evaluation of possible complaints by members of the ICANN community who may believe that any ICANN body or representative has treated the member unfairly.¹³⁴

1.4 The WIPO Internet Domain Name Process

1.4.1 Background

The United States' Department of Commerce White Paper did not only address larger policy issues regarding Internet governance, such as the establishment of a new private not-for profit corporation for Internet governance, but it also addressed certain intellectual-property issues in response to the growing concern over the tension between domain names and trade marks. It contemplated the question of how to resolve conflicts that arise as a consequence of the tension between the DNS and the

¹³⁰ Ibid.

¹³¹ Article XI-A section 2.2.

¹³² Article XI-A section 2.3.

¹³³ Ibid.

¹³⁴ Article 5.

system for the registration and protection of trade marks. Instead of making specific recommendations or proposing prescribed action, as it did with the management of the DNS and the transition of the management to a new Interim governing body, the White Paper proposed a process of international consultations conducted under the auspices of the World Intellectual Property Organisation (WIPO). The consultations would ultimately culminate in a proposal to the new governing body of the DNS envisaged by White Paper.¹³⁵ The proposal would concern mainly three issues: (1) a uniform dispute-settlement system; (2) the protection of famous and well-known trade marks; and (3) the effect of creating new gTLDs on intellectual-property rights. The White paper stated the following passage formulating WIPO's mandate:

'The US Government will seek international support to call upon the World Intellectual Property Organization (WIPO) to initiate a balanced and transparent process, which includes the participation of trademark holders and members of the Internet community who are not trademark holders, to (1) develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberspiracy (as opposed to conflicts between trademark holders with legitimate competing rights), (2) recommend a process for protecting famous trademarks in the generic top level domains, and (3) evaluate the effects, based on the studies conducted by independent organizations, such as the National Research Council of the National Academy of Sciences, of adding new gTLDs and related dispute resolution procedures on trademark and intellectual property holders. These findings and recommendations could be submitted to the board of the new corporation for its consideration in conjunction with its development of registry and registrar policy and the creation and introduction of new gTLDs.'¹³⁶

The WIPO Process, known as the WIPO Internet Domain Name Process, thus started on the basis of an opportunity presented to WIPO by the United States government with the publication of the White Paper. The process followed by WIPO to develop a domain-name dispute-resolution mechanism differed substantially from WIPO's traditional role considering that WIPO was acting in response to a request from an agency of a single government, to convene a study to be submitted to a private corporation (ICANN), which could in effect implement the proposals made by WIPO without any further consultations with national governments including WIPO member states.¹³⁷ In conducting the WIPO Process a combination of online consultations, paper-based consultations and seventeen physical meetings held in fourteen countries were used. Governments, intergovernmental organisations, industry and professional associations, corporations and individuals were

¹³⁵ Helfer and Dinwoodie *op cit* note 82 at 165.

¹³⁶ See White Paper *op cit* note 92 at 31 and 747.

¹³⁷ Lindsay *op cit* note 12 ¶ [3.3].

invited to participate through three Requests for Comments.¹³⁸ The first of these Requests for Comments (WIPO RFC-1) was issued in July 1998, and was concerned with obtaining consensus on the issues to be addressed in the Process, to establish the necessary procedures as well as setting of a timetable for the Process. WIPO RFC 1 stated the three issues as mentioned in the White Paper,¹³⁹ but added a further term of reference it deemed appropriate in the context – dispute prevention or practices in DNS administration designed to reduce conflict between domain names and intellectual property.¹⁴⁰ 66 comments were filed in response to WIPO RFC-1.¹⁴¹ The second Request for Comments (WIPO RFC-2) was issued in September 1998 and consisted of seeking comments and consulting on the issues as defined after consideration of the comments received on WIPO RFC-1.¹⁴² Regional consultation meetings were also held in order to talk about and receive comments on the relevant issues under consideration. A total of 848 persons attended these consultation meetings, some making presentations.¹⁴³ 72 comments were filed in response to WIPO RFC-2.¹⁴⁴ The third Request for Comments (WIPO RFC-3) in the form of an Interim Report containing interim recommendations was published by WIPO in December 1998.¹⁴⁵ A second round of regional consultation meetings was held to discuss and receive comments on the Interim Report.¹⁴⁶ 196 comments from governments, intergovernmental organisations, professional associations, corporations, and individuals were received in response to WIPO RFC-3.¹⁴⁷ After this round of consultations and comments WIPO drafted a comprehensive final report which was published on 30 April 1999.¹⁴⁸

¹³⁸ See 'Report of the Second WIPO Internet Domain Name Process' op cit note 37 ¶ [6].

¹³⁹ See discussion of the three issues mentioned in the White Paper op cit note 92 in section 1.2.5 above.

¹⁴⁰ See WIPO Final Report op cit note 8 ¶ [27]. The WIPO Request for Comments on Issues Addressed in the WIPO Internet Domain Name Process, RFC 1 is available at <<http://www.wipo.int/amc/en/processes/process1/rfc/1/index.html>> (accessed 15 April 2011).

¹⁴¹ See *Idem* Annex II for a list of Governments, intergovernmental organisations, industry and professional associations, corporations and individuals submitting formal comments.

¹⁴² WIPO 'Request for Comments on Issues Addressed in the WIPO Internet Domain Name Process', RFC 2, available at <<http://www.wipo.int/amc/en/processes/process1/rfc/2/index.html>> (accessed 1 May 2011).

¹⁴³ See WIPO Final Report op cit note 8 ¶ 28.

¹⁴⁴ See Annex II.

¹⁴⁵ World Intellectual Property Organization 'Interim Report of the WIPO Domain Name Process' RFC 3 (December 1998), available at <<http://www.wipo.int/amc/en/processes/process1/rfc/3/index.html>> (accessed 20 May 2011). For a more detailed discussion of the WIPO Interim Report, see section 1.4.2 below.

¹⁴⁶ For the panel of experts WIPO convened to participate in the process, see WIPO Final Report op cit note 8 Annex I. WIPO relied on their expertise and experience in preparing the reports. The members of the panel 'were appointed by WIPO for their professional expertise as well as the diverse viewpoints they bring from the business, Internet, public interest and trademark communities'.

¹⁴⁷ WIPO Final Report op cit note 8 ¶ [29].

¹⁴⁸ WIPO Final Report op cit note 8 ¶ [30].

In order to maximise the input and participation solicited from all interested parties during the process, WIPO used four modalities of communication. In the first instance, WIPO established a web site in English, Spanish, and French as the primary means of communication during the consultative process. All information and documentation applicable to the process as well as the text of all comments received in response to the Requests for Comments were published on the web site.¹⁴⁹ Secondly, WIPO established an open listserv discussion forum that was intended to host unmoderated discussion regarding the Process. These discussions were not formally considered as responses to the Requests for Comments. Thirdly, WIPO sent hard copies of each of the Requests for Comments to the governments and industrial property offices of each of its member states and to each non-governmental organisation that was accredited as an observer with WIPO. Fourthly, WIPO organised a series of meetings in various venues throughout the regions of the world to supplement the online and paper-based consultations.¹⁵⁰

Five methodological principles guided the formulation of the recommendations made during the WIPO process: (1) recognising the global nature of the Internet needing the design of an international process which allowed for the participation of all interested sectors, while at the same time recognising the fact that intellectual property cannot be considered in isolation because of the fact that the Internet is a multi-functional international medium;¹⁵¹ (2) recognising that the goal of the Process is not to create new intellectual property rights, nor to afford more protection for intellectual property on the Internet than that which exists elsewhere, while at the same time avoiding conflicts with agreed policies, rules, and multilateral standards of intellectual- property protection;¹⁵² (3) not intending that the adequate protection of intellectual property rights should adversely affect the enjoyment of other agreed rights;¹⁵³ and (4) ensuring that the recommendations of the Process are practical and functional in the context of the importance of the Internet and its capacity to serve the interests of its users;¹⁵⁴ (5)

¹⁴⁹ The web site established for the WIPO Process was <<http://wipo2.wipo.int>>. This web site is no longer active.

¹⁵⁰ See WIPO Final Report op cit note 8 ¶ [30]; Helfer and Dinwoodie op cit note 82 at 167.

¹⁵¹ WIPO Final Report op cit note 8 ¶ [33].

¹⁵² Idem ¶ [34].

¹⁵³ Idem ¶ [35].

¹⁵⁴ Idem ¶ [36].

recognising the dynamic nature of the technologies that underlie the Internet as well as the importance of the fact that the Process recommendations do not affect the future technological development of the Internet.¹⁵⁵

1.4.2 WIPO's Interim Report

Because of the sensitive nature of the issues that WIPO had to investigate as presented in the United States government White Paper, the matters over which a new dispute settlement body would be able to preside were limited to instances of 'cybersquatting', leaving it up to the jurisdiction of national courts to decide cases in which 'legitimate competing rights' were concerned.¹⁵⁶ Even though this was the White Paper's recommendation, WIPO advocated that the new dispute-settlement bodies (arbitration panels) should have the jurisdiction to preside over any disputes involving domain name registrations in violation of intellectual property rights.¹⁵⁷ As to the question regarding the law that would apply to these disputes, WIPO's solution intended for the arbitral panels to be given the discretion to choose from among 'the laws that, in light of all circumstances of the case, are applicable,' and 'a set of seven guiding principles' with WIPO stating that this approach was a distillation of dominant approaches as adopted by national courts.¹⁵⁸ The Interim Report sculpted a hybrid dispute resolution process that would best accentuate the advantages of arbitration while at the same time conforming those advantages to accommodate the nondiscretionary administrative duties of the arbitrators. It is believed that WIPO ultimately intended the development of a 'non-national trade-mark domain-name jurisprudence' that would be applicable without regard to geographical borders or conflicting national interests that would lead to confidence in the 'credibility and consistency of decisions'.¹⁵⁹ It was accordingly critical for the new system to prove its advantages in time, cost, and predictability to be favoured above national courts and laws. This would be achieved, and is therefore also recommended as such in the

¹⁵⁵ *Idem* ¶ [37].

¹⁵⁶ See White Paper *op cit* note 92 at 31 and 747.

¹⁵⁷ WIPO Interim Report *op cit* note 145 ¶ [150].

¹⁵⁸ *Idem* ¶¶ [196]-[198]; Helfer and Dinwoodie *op cit* note 82 at 172. For criticism of the approach of the compilers of the Interim Report's to governing law, see also Froomkin A Michael 'A Critique of WIPO's RFC 3' (1999), available at <<http://osaka.law.miami.edu/~amf/critique.htm>> (accessed 21 April 2011), ¶¶ [22] and [155].

¹⁵⁹ WIPO Interim Report *op cit* note 145 ¶ [140]; Helfer and Dinwoodie *op cit* note 82 at 173.

Interim Report, by the publication of panel decisions where possible.¹⁶⁰ This would create a body of persuasive precedents and contribute to the predictability of the dispute resolution process luring parties away from national courts;¹⁶¹ because although registrants were required to submit to the administrative arbitral procedure, both parties were free to turn to national courts at any time.¹⁶²

1.4.3 WIPO's Final Report

The Final Report as published by WIPO on 30 April 1999,¹⁶³ containing several critical recommendations and a number of novel suggestions, served as the catalyst for change, steering both system and policy towards innovation that sculpted the future of the DNS. Its echoes can still be heard clearly, and its effects form an integral part of domain-name culture and debate to this day. Summarised, the two main suggestions of the Final Report relevant for purposes of this thesis were:

(i) *Best Practices for Registration Authorities*: Aimed at reducing the tension that exists between intellectual property rights and domain names the report made recommendations for the adoption of a number of improved minimum 'best practices' for domain-name registration authorities (registrars) registering domain names in the gTLDs. This included a formalised contract that would unambiguously state the rights and duties of the parties as well as the attainment of accurate and reliable contact details of registrants to be used for protecting intellectual property rights in the global Internet environment.¹⁶⁴

(ii) *Uniform Administrative Procedure Concerning Abusive Domain Name Registrations*: The Final Report recommended the adoption of a uniform dispute resolution policy in terms of which an administrative dispute resolution procedure could be used for the resolution of domain-name disputes in all gTLDs.¹⁶⁵ Because of the widespread criticism received on the Interim Report,¹⁶⁶ that recommended that domain name applicants be

¹⁶⁰ WIPO Interim Report op cit note 145 ¶ [133].

¹⁶¹ Idem ¶¶ [186] and [133].

¹⁶² Idem ¶ [140].

¹⁶³ WIPO Final Report op cit note 8.

¹⁶⁴ Idem ¶¶ [54]-[111].

¹⁶⁵ Idem ¶ [152].

¹⁶⁶ The criticism of the Interim Report centered on the fact that many believed that intellectual property owners were unduly favoured by granting them more rights than existed in any national jurisdiction (see Froomkin op cit note 159 ¶¶ [15]-[16]; Helfer and Dinwoodie op cit note 82 at 174).

required to submit to the proposed dispute resolution procedure in respect of any intellectual property dispute arising out of domain name registration, WIPO narrowed the scope of the proposed dispute-resolution system, proposing that the administrative procedure be limited to ‘cases of bad faith, abusive registration’ of domain names that violate trade mark rights, or the cases of ‘cybersquatting’.¹⁶⁷ For other disputes parties would need to approach national courts or other forms of private adjudication like arbitration. Parties with opposing rights acting in good faith, and intellectual property rights holders other than trade-mark proprietors would accordingly be specifically excluded from using the administrative procedure.¹⁶⁸ The report foresaw the procedure to be quick, cost effective, and efficient, and be conducted mainly online. Remedies in terms of the procedure would be limited to the transfer or cancellation of the domain name registrations, effectively nullifying the abusive registration.¹⁶⁹ These remedies would be enforced by the domain-name registration authorities under the dispute-resolution policy as defined and agreed in the domain-name registration agreement. The administrative procedure is accordingly mandatory in nature in that domain-name applicants bind themselves to the procedure when concluding the domain-name registration agreement.¹⁷⁰ The administrative procedure would be uniformly available and procedurally the same in all the open gTLDs.¹⁷¹

1.5 ICANN’s Implementation of the Uniform Dispute Resolution Policy (UDRP)

ICANN began the expedited process of studying and implementing the recommendations made in the WIPO Final Report within a matter of weeks after the publication of the Final Report in April 1999. ICANN’s Interim Board referred the proposals for a dispute resolution mechanism made in WIPO’s Final Report to the ICANN Domain Name Supporting Organization (DNSO) on 27 May 1999 with the instruction of submitting its recommendations to the Board by 31 July 1999.¹⁷² The

¹⁶⁷ See WIPO Final Report op cit note 8 ¶ [171], where the compilers recommend a definition of ‘abusive registration’ to be applied in the administrative procedure, and provide examples of what would be evidence of the registration and use of a domain name in bad faith.

¹⁶⁸ Idem ¶ [135].

¹⁶⁹ Idem ¶¶ [182]-[188].

¹⁷⁰ Idem ¶¶ [54] and [158]-[162].

¹⁷¹ Idem ¶¶ [154]-[157].

¹⁷² See ICANN ‘Timeline for the Formulation and Implementation of the Uniform Domain Name Dispute Resolution Policy’ (‘Timeline’), available at <<http://icann.org/en/udrp/udrp-schedule.htm>> (accessed 25 May 2011).

DNSO promptly formed a working group by June 1999 to study the WIPO recommendations.¹⁷³ The working group duly submitted its report to the DNSO by the end of July 1999, and the DNSO, in turn, submitted the report of the working group to the ICANN Board as a consensus recommendation on 4 August 1999. On 24 August 1999, the ICANN Staff presented a Staff Report to the Internet community and the ICANN Board on the dispute resolution policy recommendations of the working group report.¹⁷⁴ ICANN accepted the DNSO recommendation for the establishment of a uniform dispute-resolution policy on 26 August 1999, while at the same time instructing ICANN staff to convene a drafting committee and prepare implementation documents.¹⁷⁵ Just over a month later, on 29 September 1999, ICANN staff posted a report on the implementation documents,¹⁷⁶ which was soon followed by a revised second ICANN staff report presented to the ICANN board on 24 October 1999.¹⁷⁷ The ICANN Board duly approved the implementation documents, which brought the Uniform Dispute Resolution Policy (UDRP) to life, on 24 October 1999.¹⁷⁸

1.6 Concluding Remarks

The exponential growth of the Internet liberally exceeded all forecasts and predictions made during its brief existence. More and more individuals, businesses, and organisations started using the Internet for a huge range of diverse activities, and the value of commercial transactions on the Internet also increased substantially as electronic commerce became increasingly popular by the turn of the century. Businesses, public and private organisations, and individuals started marketing, and buying and selling goods and services over the Internet. The Internet saw exponential growth, with domain-name registrations ballooning, creating a registration frenzy comparable to a gold rush of old. Domain names were registered without any inquiry

¹⁷³ Ibid.

¹⁷⁴ See ICANN 'ICANN Staff Report: Uniform Dispute Resolution Policy for gTLD Registrars' (24 August 1999), available at <<http://www.icann.org/en/meetings/santiago/udrp-staff-report.htm>> (accessed 7 May 2011).

¹⁷⁵ See the Timeline op cit note 173.

¹⁷⁶ See ICANN 'Staff report on the Implementation Documents for the Uniform Dispute Resolution Policy' (29 September 1999), available at <<http://www.icann.org/en/udrp/staff-report-29sept99.htm>> (accessed 17 May 2011).

¹⁷⁷ See ICANN 'Second Staff Report on the Implementation Documents for the Uniform Dispute Resolution Policy' (24 October 1999), available at <<http://www.icann.org/en/udrp/udrp-second-staff-report-24oct99.htm>> (accessed 4 May 2011).

¹⁷⁸ See the Timeline op cit note 173; Helfer and Dinwoodie op cit note 82 at 179. See further chapter 4 below for a detailed discussion of the UDRP.

of the names' trade-mark status, to the first person that came knocking, permitting a trade-marked name to reside in someone other than the legal mark proprietor. There was also no limitation placed on the number of domain names that could be registered by any single entity or person. Speculators registered hundreds of domain names. They registered common names and terms with multiple spellings and possible applications.

They also ventured without fear into the 'domain' of the trade-mark proprietor, registering names corresponding to registered trade marks, especially those of companies without a presence on the Internet. The '.com' TLD became the location of choice, the Beverly Hills or Clifton of the net, the domain to be @. Having a presence on the Internet, particularly in the sought after '.com' domain, that corresponded with a trade mark – even more so if it was a well-known mark – was becoming a very important commodity with a high intrinsic value. The speculators looked to resell the domain names for profit, holding the trade-mark proprietors to ransom. These speculators became commonly known as 'cybersquatters'. The inherent conflict between Internet policy and rule-making and existing intellectual-property policy and convention reached a new and critical level. The situation begged for clearer regulation and innovative approaches in dealing with the unsettling and controversial peculiarities of the Internet while protecting the intellectual property of international rights holders.

Intellectual-property rights are at the heart of the Internet and consequently also in the eye of the storm. They form part of nearly all forms of Internet content, from the images, sounds, text, and software to the names we use to navigate the web. They are intricately woven into every fibre of the tapestry that forms cyberspace, enabling infringements of those rights on a global scale. Therein lies the critical paradox facing the international intellectual-property system that has historically been territorial in nature.¹⁷⁹ Instead of the development of a globally uniform intellectual property code, sovereign states that are signatories of the international intellectual-property treaties favoured a more decentralised alternative. The enforcement of intellectual-property rights were consigned to private actions brought in national courts, which were decided in terms of treaty inspired national intellectual-property legislation and the rules of

¹⁷⁹ For a detailed discussion of the territoriality of trade marks, see chapter 3 section 2 below.

conflict of laws.¹⁸⁰ These traditional definitions and paradigms of intellectual property law that have taken decades to develop were, and largely still are, unfortunately simply not providing the answers posed by developing technologies in the 21st century. The number of questions and the rate at which they are posed by these technologies have suggested that the sluggish processes of lawmaking and institution building of the past needed to be discarded, even if just for the interim. As true as it still is today, and as sure as it will be in future, the late nineties forced innovative lawmaking and the sculpting of unconventional policy that was needed to deal with the challenges posed. The establishment of ICANN and the consequent adoption and widespread use of the UDRP are classic examples of innovative lawmaking and unconventional policy that have not only challenged the conceptual boundaries of intellectual-property law, particularly trade-mark law in the form of domain-name disputes, but will surely continue to shatter both geographic and conceptual boundaries for some time to come.

¹⁸⁰ See Helfer and Dinwoodie op cit note 82 at 150.

CHAPTER 3
INTERPLAY BETWEEN TRADE MARKS AND DOMAIN NAMES

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CHAPTER 3

INTERPLAY BETWEEN TRADE MARKS AND DOMAIN NAMES

1 Trade Marks Defined

1.1 *Background and History*

The use of marks on goods can be traced to ancient times.¹ Potters placed marks on pottery items, and cattle were branded with signs.² The purposes that such markings were intended to fulfill varied considerably – some marks were indicators of ownership, while others were indicators of the source of the goods.³ Marks on goods were also commonly used in medieval England and Europe, again to perform different functions. Individuals were, for example, identified by personal marks such as coats of arms or seals; and family dwellings, by house marks.⁴ Proprietary marks were also used to indicate the ownership of goods as well as to identify the goods, tools, and livestock of individuals. These marks later performed the function of identifying the ownership of goods in transit. So although these marks were not all intended to fulfill the same purpose, and did not necessarily fulfill all the same functions that we currently associate with a trade mark, they were an important step in the evolution of the notion of trade marks, as they provided prima facie evidence of ownership of the goods on which they appeared.⁵

In the fourteenth century, trade in England was characterised by the guild system. Guilds were controlling bodies which held a monopoly in respect of their trade in an area or town, and were responsible for controlling groups of artisans by enforcing high standards of production. A guild craftsman was required to affix a mark to every article he produced, which mark served the purpose of tracing defective goods to a specific craftsman, and of assisting with the identification of non-guild members in order to prevent them from selling their goods within the guild's monopoly area.⁶ In the later Middle Ages, some marks acquired a secondary significance as indicators of quality.⁷ For example, in the English cloth trade, marks which originated as guild marks came

¹ See Diamond SI 'The Historical Development of Trade Marks' (1975) 65 *Trade Mark Reporter* 266-272.

² Hence the term 'brands' – a name often used to connote valuable trade marks (see Derwent Richard Poynder (ed) *Caught in a Web: Intellectual Property in Cyberspace* (2001) 65.

³ Kelbrick Roshana Alice *Statutory Civil Remedies in Trade Mark Litigation* unpublished LLD thesis, University of South Africa (1997) 9.

⁴ Diamond op cit note 1 at 272-273.

⁵ Kelbrick op cit note 3 at 10.

⁶ Idem at 11.

⁷ Schechter FI *The Historical Foundations of the Law Relating to Trade Marks* (1925) 63.

to signify the quality of the manufacturing source. These marks were valued and protected as such. These marks were, however, not viewed as assets that existed independently of a specific craftsman, and accordingly did not enjoy any judicial protection. Some form of ownership in marks was acknowledged only when cutlers' marks in the cutlery trade, which was responsible for the manufacturing, not only of knives but of all weapons and war materials, could be sold, leased, or transferred. This right was statutorily confirmed in 1801,⁸ when a widow was granted the right to a life estate in a mark. This was the first acknowledgment of a trade mark as an asset of value independent of its owner.⁹

The first reported English common-law decision that dealt with trade marks as such was *Singelton v Bolton*,¹⁰ which was heard in 1783. The first English statute dealing with trade marks was the Merchandise Marks Act, 1862.¹¹ Although this Act did not define a trade mark, or made any provision for the registration of trade marks, it did contain penal sanctions for the forgery and counterfeiting of trade marks, as well as detailed provisions on the civil remedies available to the proprietor of an infringed mark.¹² The demand for product identification was met, after an investigation by a Select Committee of the House of Commons in 1862, by the enactment of the Trade-Marks Registration Act¹³ and the establishment of a Trade Mark Office in 1875.¹⁴ The Trade-Marks Registration Act was the first statute to contain registration provisions: it made registration a precondition for infringement proceedings.¹⁵ Registration of a trade mark in terms of the Act constituted prima facie proof of the proprietor's right to the exclusive use of that mark in relation to the goods in respect of which it was registered. The provisions of the Act were important for the development of trade marks in particularly two respects: in the first instance, a registered proprietor did not have to prove use and

⁸ 41 George III 1801 c 97.

⁹ Schechter op cit note 7 at 121. For a more detailed discussion, see Kelbrick op cit note 3 at 12.

¹⁰ *Singelton v Bolton* 3 Dougl (1783) 293 (99 ER 661).

¹¹ 25 & 26 Victoria c 88.

¹² Kelbrick op cit note 3 at 18.

¹³ 38 & 39 Victoria c 91.

¹⁴ Derwent op cit note 2; Webster GC and Page NS *South African Law of Trade Marks* 4 ed by Webster CE and Morley GE (2007, looseleaf) ¶ 1.2.

¹⁵ Although the United States of America passed the first law regarding trade marks in 1870, it was not until 1946 when the United States Congress passed the Federal Trademark Act (commonly known as the Lanham Act) that trade marks received substantial protection in the United States (see Yan David 'Virtual Reality: Can We Ride Trademark Law to Surf Cyberspace' (2000) 10 *Fordham Intellectual Property Media and Entertainment LJ* 773 at 781.

the reputation of the mark in infringement proceedings, and, secondly; the Act established the machinery by means of which traders could ascertain the existence and extent of the rights of others in registered marks.¹⁶

The United Kingdom trade-mark legislation has been the subject of constant change since the 1875 Act. I shall not discuss these changes here in any detail.¹⁷ The evolution of United Kingdom trade-mark law over some 120 years culminated in the enactment of the Trade Marks Act 1994,¹⁸ which came into force on 30 October 1994. Three primary reasons motivated the United Kingdom government to enact the Act: In the first instance, the Act was in response to the need to update the law relating to trade marks to reflect more recent trading practices.¹⁹ Secondly, the Act gives effect to the Council Directive of 21 December 1988, which has as its main objective the harmonisation of the national laws of the member states.²⁰ Thirdly, the government wished to give effect to the Madrid Protocol Relating to the International Registration of Marks, of 27 June 1989. As is stated in the White Paper, the aim of the new Act is to, as far as possible, provide a new and self-sufficient law of trade marks, and, at the same time, to simplify the text of the law.²¹

South African trade-mark law combines common-law and statutory influences. At common law, the actions for passing off and unlawful competition have their origin in Roman-Dutch law.²² However, common-law principles in South Africa, as in the rest of world, do not afford sufficient protection to the trade-mark proprietor, and so it has been necessary to supplement the common law with legislation.²³ Trade-mark legislation in South Africa has traditionally been schooled predominantly on the United Kingdom example. The first trade-mark legislation in South Africa²⁴ was introduced into the then

¹⁶ Webster and Page op cit note 14 ¶ 1.2.

¹⁷ For a more detailed discussion of this statutory evolution, see, for example Bently Lionel and Sherman Brad *Intellectual Property Law* 3 ed (2009) 714-715; Blanco White T A and Jacob Robin *Kerly's Law of Trade Marks and Trade Names* (1983) (11th ed) para 1-02 and App 811.

¹⁸ 'Trade Marks Act (UK)'.

¹⁹ Department of Trade and Industry 'Reform of Trade Mark Laws' Cmnd 1203 (1990) ('White Paper').

²⁰ First Council Directive of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks 89/104/EEC (OJ No L40/1) ('EC Directive').

²¹ White Paper note 19 at 3.

²² Webster and Page op cit note 14 ¶ 1.1.

²³ *Ibid.*

²⁴ In the Cape Colony, Act 22 of 1877; in Natal, Law No 4 of 1885; in the Orange Free State, chapter CXIII of the *Wetboek*; and in the Transvaal, Law No 6 of 1892. All these statutes provided for the establishment of a Register of Trade Marks, and all of them contained provisions based on the United Kingdom Act.

colonies and republics of South Africa shortly after the 1875 Act created the machinery for the registration of trade marks in the United Kingdom.²⁵ A detailed account of the evolution of trade-mark legislation in South Africa is unnecessary for present purposes.²⁶

It is worth highlighting the influence that United Kingdom trade-mark law had on South African trade-mark law. In order properly to understand the development of trade-mark law in South Africa regard must be had to the history and development of trade mark law in the United Kingdom and the European Community.²⁷ The EC Directive²⁸ had a substantial influence on the drafting of the 1993 Act in South Africa.²⁹ There are important similarities, not only between the South African and United Kingdom statutes, but also between the South African statute and the trade-mark legislation of other members of the European Community.³⁰

1.2 **Functions of a Trade Mark**

'It is possible to look at a trade mark as a sign which is used by the proprietor to mean "these goods are from me and are of a quality I am prepared to stand by".'³¹

The current principal functions of a trade mark can be gleaned from the definition of a 'trade mark' as provided for in the 1993 South African statute. It states that the term 'trade mark' connotes:

'a mark used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person'.³²

Important similarities between the latest trade-mark statutes of the United Kingdom and South Africa, and the trade-mark legislation of other European Community countries, become clear if the definitions of a 'trade mark' in these statutes are compared.

²⁵ Webster and Page op cit note 14 ¶ 1.3.

²⁶ For more detailed discussion of the historical development of South African trade-mark law, see Kelbrick op cit note 3 at 24-26; Webster and Page op cit note 14 ¶ 1.3.

²⁷ Webster and Page op cit note 14 ¶ 1.2.

²⁸ White Paper of 1990 note 19.

²⁹ Trade Marks Act 194 of 1993 ('Trade Marks Act (SA)').

³⁰ Webster and Page op cit note 14 ¶ 1.2.

³¹ *Glaxo Group v Dowelhurst Ltd (No 2)* (2000) FSR 529 (Chd) at 541.

³² Section 2(1) sv 'trade mark' of the Trade Marks Act (SA).

The above-quoted definition of a 'trade mark' in the South African statute is strikingly similar to its counterpart in the United Kingdom statute:³³

'In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.'

The EC Directive, similarly states:³⁴

'A trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

To illustrate international convergence, the federal trade-mark statute of the United States of America, the Lanham Act,³⁵ also provides a similar definition of a 'trade mark'. It reads:³⁶

'A trademark includes any word, name, symbol, or device, or any combination thereof – (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principle register established by this Act, to identify and distinguish his or her goods, including a unique, product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown'.

From these definitions it is clear that a trade mark principally serves the functions of identifying the goods of a certain proprietor, in that a trade mark operates as an indicator of the originating commercial source of the goods (origin function); in this way a trade mark enables consumers of the goods to distinguish the goods or services of the specific proprietor from the goods of others (distinguishing function). For example, the mark ROLEX on a watch identifies for consumers the commercial source of the watch produced by Rolex and distinguishes it from a similar product produced by, say, Tag Heuer. (Service marks do the same for services, and are protected on essentially the same basis and for the same reasons.³⁷) These two principal functions are, therefore, closely linked in the definition of a 'trade mark'.³⁸

³³ Section 1(1) of the Trade Marks Act (UK).

³⁴ European Community 'First Council Directive' op cit note 20.

³⁵ United States of America Trademark Act of 1946, 60 Stat 427, as amended, codified in 15 USC § 1051 et seq.

³⁶ 15 USC § 1127 (2000).

³⁷ Dinwoodie Graeme B 'National Trademark Laws and the Non-National Domain Name System' (2000) 21 *Univ of Pennsylvania J of International Economic Law* 495 at 501.

³⁸ See Webster and Page op cit note 14 ¶ 3.16; Rutherford Brian 'The Trade Marks Act in its International Context' in Coenraad Visser (ed) *The New Law of Trade Marks and Designs* (1995) 3.

These principal functions also serve useful social purposes. In the first instance, trade-mark law hinders confusion in the mind of a consumer concerning the origin of a specific product by not allowing competing businesses to use an identical or confusingly similar product name as the first competitor. It enables consumers to make more informed purchases – consumers will not be confused into buying the wrong watch. Secondly, trade-mark law protects a trade-mark proprietor's goodwill (consumer associations) and investment with respect to the specific product and mark, and in this way encourages Rolex to generate goodwill with products of a consistent quality.³⁹

The similarity of the wording of the definitions and the fact that the South African and United Kingdom definitions are essentially based on that in the EC Directive indicate that the points of departure are the same in these jurisdictions where the principal functions of a trade mark are concerned.⁴⁰ United Kingdom and European Union decisions will accordingly be of great assistance to South African courts. Not surprisingly, a number of South African decisions referred to the views expressed in United Kingdom and European Court of Justice decisions pertaining to the functions of a trade mark. In *Cowbell AG v ICS Holdings Ltd*⁴¹ and *Triomed (Pty) Ltd v Beecham Group plc*,⁴² the judges referred to the decision of the European Court of Justice in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,⁴³ in which the following was stated in respect of the function of a trade mark: '[the] function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or services from others which have another origin'.

Confirming this trend, the South African Supreme Court of Appeal, in *Beecham Group plc v Triomed (Pty) Ltd*,⁴⁴ considered the persuasive force of European Court of Justice and United Kingdom decisions and confirmed that the function of a trade mark is to indicate the origin of goods or services. More recently, in *AM Moolla Group Ltd and Others v The Gap Inc and Others*,⁴⁵ the court reiterated that a trade mark is a badge of

³⁹ Dinwoodie op cit note 37 at 506.

⁴⁰ Webster and Page op cit note 14 ¶ 3-16.

⁴¹ 2001 (3) SA 941 (SCA) at 948A-C.

⁴² 2001 (2) SA 522 (T) at 537H.

⁴³ [1999] RPC 117 (ECJ) at 133; [1999] FSR 332 (ECJ) at 350.

⁴⁴ 2003 (3) SA 639 (SCA).

⁴⁵ 2005 (6) SA 568 (SCA) paras [38]-[40].

origin or source, and that the function of a trade mark is to distinguish goods that have a specific commercial source from goods with a different source.⁴⁶

Having canvassed the principal functions of a trade mark in broad and general terms, it is important to stress that trade mark functionality is complex, and that there is no general agreement about the exact number of 'functions', or the exact scope of their legal and practical significance. A myriad of different functionalities, based on varying models,⁴⁷ theories, approaches,⁴⁸ and interests, can be discerned. For example, the following trade-mark functions can be added to the two principal functions already mentioned: (a) an investment (or advertising) function: In terms of this function, trade marks are seen as ciphers around which investment in the promotion of a product is built, and investment is seen as a value that deserves protection as such, even where there is no misrepresentation about origin or quality;⁴⁹ (b) a quality function: in terms of this function, a trade mark guarantees the quality of the goods, in that the trade mark testifies to the quality of the goods that a consumer seeks.⁵⁰ Trade marks serve as an assurance that goods will measure up to consumer expectations. This justification has not found favour in Europe⁵¹ or in South Africa. In *AM Moolla v The Gap*,⁵² Harms JA stated that a trade mark is a badge of origin or source, and does not in itself amount to a representation of quality; (c) trade marks serve as a badge of support or affiliation – a sport supporter will use the trade mark as a badge of allegiance to a particular team, rather than as an indication of a connection to a commercial entity;⁵³ (d) trade marks enable consumers to make a lifestyle statement – trade marks not only indicate origin or quality but enable consumers to make statements about the sort of person he or she is;⁵⁴ (e) trade marks may be said to serve a psychological function – some trade marks have such an emotive effect on the minds of consumers that these marks have a selling power not proportionate to their underlying goodwill.⁵⁵

⁴⁶ For a more detailed discussion on the South African position, see Webster and Page op cit note 14 ¶ 3.16.

⁴⁷ For a discussion of the exercise of model building as applied to trade-mark functionality, see Phillips Jeremy *Trade Mark Law: A Practical Anatomy* (2003) 21.

⁴⁸ For a detailed discussion of the different approaches to the varying trade mark functions, see Cornish William and Llewelyn David *Intellectual Property: Patents, Copyright, Trade Marks and Applied Rights* 5 ed (2003) 589-592.

⁴⁹ Cornish and Llewelyn op cit note 48 at 587.

⁵⁰ Phillips op cit note 47 at 26.

⁵¹ *Ibid.*

⁵² *Supra* note 45 para [39].

⁵³ See *Arsenal Football Club plc v Matthew Reed* [2001] ETMR 860 (HC); Phillips op cit note 47 at 27.

⁵⁴ Phillips op cit note 47 at 27.

⁵⁵ See Cornish and Llewelyn op cit note 48 at 590.

In the end, though, the ultimate function of a trade mark cannot easily be defined, and one may question how serviceable it is to distinguish between the different functions of a trade mark when one has to decide on the proper extent of their legal protection. It is certain, though, that trade marks serve a myriad of legal, political, social, and economic functions. It is, therefore, nearly impossible to fit trade-mark functionality neatly into any practical or theoretical classification:

'The real function of the trade mark system is not stated in trade mark legislation or in the *travaux préparatoires* to international treaties, nor even in trade mark books. The function of a key, a spade or a cup is as much defined by the uses to which it is put as to the use it is designed to possess in theory. So too with the trade mark system, we must examine its function in the real world as well as its intended purpose on the legal draftsman's desk.'⁵⁶

Whatever the focus or guiding principles of law dictate regarding the functionality of trade marks, at any moment during the ongoing evolution of trade-mark law, especially when it faces new challenges such as the Internet, the real and ultimate function of trade marks should always be to find a balance between the conflicting interests of consumers and trade-mark proprietors, while it maximises the benefits of the trade-mark system for both groups.⁵⁷

2 The Principle of Territoriality

2.1 Background

It is a truism that the world has become very small, and as technological advancement and development continuously amaze one as to the pace and the extent to which they alter physical reality and affect theoretical change and human perceptions, the world constantly shrinks. To talk about the 'global village'⁵⁸ is no longer an exaggeration or an indication of the speaker being out of touch with reality. Technology, especially the Internet, has made it possible for anyone, anywhere, to market and sell goods on a global market.

⁵⁶ Phillips op cit note 47 at 31.

⁵⁷ Idem at 30-32.

⁵⁸ The Oxford English Dictionary defines the term 'global village' as 'the world considered as a single community linked by telecommunications' (see <<http://oxforddictionaries.com/definition/global+village>> (accessed 13 May 2011)). Wikipedia states that 'Global Village is a term for describing the world in that people are considered to live in a planet without borders/boundaries. It is because any change of one element has an impact on other elements in the world' (see <http://en.wikipedia.org/wiki/Global_Village> (accessed 14 April 2011)).

In its ability to facilitate communication and interaction across borders and time zones, the Internet has indeed made the world a small place, while at the same time it enlarges the world of business in terms of the unlimited possibilities and opportunities that it presents to all. Apart from creating opportunities for new market entrants, established businesses that wish to compete on the local or the global stage have been compelled to appreciate the critical importance and enormous potential of doing business on the Internet.

The first step in gaining a presence on the Internet is the registration of a domain name, preferably the name of the business or its word mark. This desire of businesses to reflect their trade marks has led to a major, previously unforeseen, dilemma in international intellectual property law. Globalisation and the rapid expansion of international trade, which can be attributed mainly to the exponential growth of the Internet and Internet-related commerce, has advanced the internationalisation of the intellectual property system to the frontline, as trade marks and other identifiers assumed new importance. This fact is magnified by considering the purpose of trade marks and other identifiers in establishing a brand through consumer awareness and trust. The traditional role of trade marks in business has become even more pronounced and essential in the context of doing business in the online environment. In the online environment the traditional offline realities and foundations of trade marks and other identifiers are generally absent.⁵⁹ One of the most critical realities and foundations of the intellectual property law system which have been magnified by the internationalisation wave of intellectual property associated with the online revolution, is the principle of territoriality.

2.2 Territorial Nature of the Trade Mark System

Intellectual property rights, including trade marks, have traditionally been subject to the principle of territoriality. From this flows that trade mark rights are essentially of national application. Trade-mark rights in one country are, therefore, essentially not dependent on trade-mark rights in another country.⁶⁰ Trade-mark proprietors must typically register their trade marks internationally (meaning, in each country in which they seek protection of their

⁵⁹ Xue Hong 'International Intellectual Property Law in the Internationalized Domain name System' (2006) 9 *The Journal of World Intellectual Property* 1 at 5.

⁶⁰ Dinwoodie op cit note 37 at 500.

trade marks) in order to enjoy international protection.⁶¹ Registration of a trade mark confers, generally, only the exclusive right to use that mark in relation to the goods and services for which that mark is registered, in the country in which it is registered.⁶² It is accordingly entirely possible for two or more different proprietors to own identical trade marks, provided that the marks are registered and used in different countries.⁶³ A trade mark registered in South Africa, for example, vests its proprietor with trade-mark rights in South Africa, whilst a different proprietor may have rights in relation to the same trade mark, even in relation to the same goods, in the United Kingdom.⁶⁴ There is thus no legal bar in principle for a South African company to adopt a foreign trade mark.⁶⁵

The South African courts have been quite clear in their interpretation and their consistent application of the principle of territoriality. As early as 1967, Boshof J stated in *P Lorillard Co v Rembrandt Tobacco Co (Overseas)*:⁶⁶

'In the present state of the law a trade mark is a purely territorial concept and there is, generally speaking, nothing to prevent a person from asserting a proprietary right in a trade mark in relation to which no one else has in the same territory asserted a similar right.'

In *Tie Rack plc v Tie Rack Stores (Pty) Ltd*,⁶⁷ Kriegler J similarly stated:

'Firstly, as has already been mentioned above, a trade mark is purely a territorial concept; it is legally only operative or effective only within the territory in which it is used and for which it is to be registered or is registered. Hence, the proprietorship, actual use or proposed use of a trade mark mentioned in section 20(1) are all premised by the subsection to be within the RSA.

Secondly, I have added the word "adopted" in the crucial expression "originated or acquired the trade mark" as used in the above quoted cases in order to meet the following situation. According to the *Lorillard* case *supra* [1967 (4) SA 353 (T) at 356G-H], and the Australian cases *supra* of the *Seven-up Coy* 75 CLR 203 and *Aston v Harlee* 103 CLR 391 at 399 and 400, an applicant can be regarded as the author of a trade mark in the

⁶¹ Ballon Ian C 'Rethinking Cyberspace Jurisdiction in Intellectual Property Disputes' (2000) 21 *Univ of Pennsylvania J of International Economic Law* 481 at 482.

⁶² There are a few instances that derogate from this principle. One example is the Community Trade Mark available from the European Union in terms of which an applicant may, by filing a single application, obtain a Community Trade Mark registration which accords rights throughout the entire territory of the European Union (see Council Regulation 40/90 of December 1993 on the Community Trademark, 1994 OJ (L11) 1); Dinwoodie op cit note 37 at 504 n16.

⁶³ See Rutherford Brian 'Well-known Marks on the Internet' (2000) 12 *SA Merc LJ* 175.

⁶⁴ Dinwoodie op cit note 37 at 500.

⁶⁵ Webster and Page op cit note 14 ¶ 5.4.

⁶⁶ 1967 (4) SA 353 (T) at 356H.

⁶⁷ 1989 (4) SA 427 (T) at 446-447.

RSA even if he has copied or selected (ie adopted) it in respect of certain goods from a trade mark registered and used (even extensively used) in respect of the same goods in a foreign country.’

In *Victoria’s Secret Inc v Edgars Stores Ltd*,⁶⁸ Nicholas AJA again confirmed the principle of territoriality in South African trade-mark law:

‘It follows that the fact that a trade mark is registered and has been used, even extensively used, by one person in a foreign country does not in itself constitute a bar to its adoption and registration by some other person in South Africa’.

The most recent judgment by a South African court confirming the principle of territoriality was delivered by Harms JA in *AM Moolla v The Gap*⁶⁹ in which he referred not only to South African authority (such as *Victoria’s Secret*) but also to United States case law, legislation, and academic writing. The judge’s short exposition of the territoriality principle as it currently applies in American trade-mark law deserves quoting here:

‘It follows from incorporation of the doctrine of territoriality into United States law through section 44 of the Lanham Act that United States Courts do not entertain actions seeking to enforce trademark rights that exists only under foreign law. See *Person’s Co Ltd v Christman*, 900 F2d 1565, 168-169 (Fed Cir 1990) (“The concept of territoriality is basic of trademark law; trademark rights exist in each country solely according to that country’s statutory scheme”).⁷⁰

The principle of territoriality is similarly applied and enforced in most other trade-mark law systems around the world.

The principle that a trade mark is protected in a certain national jurisdiction only if that trade mark is either registered or used in that jurisdiction applies internationally.

In the United Kingdom, the Trade Marks Act states that ‘the proprietor of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark *in the United Kingdom* without his consent’.⁷¹ There is accordingly no cross-border protection of trade marks registered in the United Kingdom.⁷²

⁶⁸ 1994 (3) SA 739 (A) at 745H.

⁶⁹ Supra note 45 paras [9]-[11].

⁷⁰ Idem para [10]. See also the Lanham Act op cit note 35 § 1126.

⁷¹ Section 9(1) (emphasis added). The principle of territoriality also applies to unregistered trade marks in the United Kingdom (see *Anheuser-Busch v Bud Jovicky Budvar* [1984] FSR 413).

⁷² See Murray Andrew D ‘Internet Domain Names: The Trade Mark Challenge’ (2001) 6 *International J of Law and Information Technology* 285 at 291-292.

Section 4(3) of the Canadian Trade-marks Act⁷³ also establishes the principle of territoriality in Canadian trade-mark law. It provides that a trade mark marked in Canada on wares or their packaging is deemed to be used in Canada in association with those wares when they are exported from Canada.⁷⁴

The principle of territoriality is similarly entrenched in German⁷⁵ and Indian⁷⁶ trade-mark law, as well in the Scandinavian⁷⁷ trade-mark law systems.

An intellectual property right, like a trade mark, that spans the globe, like the Internet does, is, therefore, unlike the Internet, not a part of a trade-mark proprietor's reality. Quite simply, there is, in principle, no such thing as an 'international trade mark'.⁷⁸

2.2.1 International Treaties and Territoriality

There have been attempts on the international stage to counter some of the negative effects associated with the territorial nature of the intellectual property system. The multilateral nation-to-nation negotiation of international treaties by countries exercising their powers as national sovereign states have traditionally been used to resolve major discrepancies in international trade-mark law. The international treaties created by the conventional and time-consuming approach of negotiating international agreements through nation state participation and input has, until recently, been relatively successful. By developing international policies and creating solutions to the problems associated with the international trade-mark system internationally negotiated treaties facilitated the goal of global harmonisation and cooperation amongst signatory nations.⁷⁹

⁷³ Trade Marks Act RSC 1985 c T-13.

⁷⁴ For a more detailed discussion of the principle of territoriality from a Canadian intellectual property law perspective, see Friedman Bradley J and Deane Robert JC 'Trade-Marks and the Internet: A Canadian Perspective' (2001) 32 *Univ of British Columbia LR* 345 at 358.

⁷⁵ For a more detailed discussion of the principle of territoriality from a German intellectual property law perspective, see Bettinger Torsten and Thum Dorothee 'Territorial Trade Mark Rights in the Global Village – International Jurisdiction, Choice of Law and Substantive Law for Trademark Disputes on the Internet Part Two' (2000) 31 *International Review of Industrial Property and Copyright Law* 285.

⁷⁶ For a more detailed discussion of the principle of territoriality from an Indian perspective, see Unni VK *Trade Marks and the Emerging Concepts of Cyber Property Rights* (2002) 6-7.

⁷⁷ For a more detailed discussion of the principle of territoriality in a number of Scandinavian countries, see Lundstedt Lydia 'Jurisdiction and the Principle of Territoriality in Intellectual Property Law: Has the Pendulum Swung Too Far in the Other Direction?' (2001) 32 *International Review of Industrial Property and Copyright Law* 125.

⁷⁸ Murray op cit note 72 at 292.

⁷⁹ See Halpern Marcelo and Mehrotra Ajay K 'From International Treaties to Internet Norms: The Evolution of International Trademark Disputes in the Internet Age' (2002) 21 *Univ of Pennsylvania J of International*

The most notable of these negotiated international intellectual property treaties which have as their principle goal the recognition and enforcement of trade-mark rights on a global scale are the Paris Convention for the Protection of Industrial Property (the 'Paris Convention'),⁸⁰ the Agreement on Trade-Related Aspects of Intellectual Property Rights (the 'TRIPS Agreement'),⁸¹ the Madrid Agreement Concerning the International Registration of Marks⁸² and the related Protocol,⁸³ and the Trademark Law Treaty ('TLT').⁸⁴

Two further agreements were concluded under the auspices of the World Intellectual Property Organization. They took the form of joint recommendations – the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks,⁸⁵ and the Joint Recommendation Concerning Provisions on the Protection of Marks and Other Industrial Property Rights and Signs on the Internet.⁸⁶

These agreements are based squarely on the principle of national treatment: a signatory nation was obliged to extend protection to nationals of other signatory nations to the extent that it offered protection of intellectual property rights to its own nationals.⁸⁷

In the Paris Convention, article 2(1) states:

'Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their laws now grant, or may hereinafter grant, to nationals; all without prejudice to the rights specially provided by this convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.'

Article 6(3) adds that '[a] mark duly registered in a country of the Union shall be regarded as independent of marks registered in the other countries of the Union, including the country of origin'.

Economic Law 523 at 523.

⁸⁰ (1883).

⁸¹ Annex III to the General Agreement on Tariffs and Trade (GATT) concluded after the Uruguay round of negotiations on 15 December 1993 and signed in April 1994.

⁸² (1891).

⁸³ (1989).

⁸⁴ Adopted in Geneva on 27 October 1994.

⁸⁵ Adopted by the Assembly of the Paris Union and the General Assembly of the World Intellectual Property Organization, 20-29 September 1999.

⁸⁶ Adopted by the Assembly of the Paris Union and the General Assembly of the World Intellectual Property Organization, 24 September -3 October 2001.

⁸⁷ See Dinwoodie Graeme B 'Trademarks and Territory: Detaching Trademark Law from the Nation-State' (2005) 41 *Houston LR* 885 at 891.

When the South African Supreme Court of Appeal revisited the principle of territoriality in *AM Moolla v The Gap*,⁸⁸ Harms JA referred to the American decision of *Barcelona.com v Exelentísimo Ayuntamiento De Barcelona*,⁸⁹ in which Niemeyer J quotes article 6(3) of the Paris Convention as the relevant substantive provision for the implementation of the principle of territoriality. Niemeyer continues by quoting the following ‘distinguished commentary’ from J Thomas McCarthy:⁹⁰

‘the Paris Convention creates nothing that even remotely resembles a “world mark” or an “international registration”. Rather, it recognizes the principle of the territoriality of trademarks [in the sense that] a mark exists only under the laws of each sovereign nation.’

The principle of national treatment is stated also in the TRIPS Agreement:⁹¹

‘Each Member shall accord the treatment to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property.’

2.2.2 International Recognition and Protection of Well-Known Marks

Article 6bis of the Paris Convention provides for the recognition and protection of well-known marks that have not been registered:

‘The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trade mark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.’

Article 16(1) of the TRIPS Agreement, in turn, reads as follows:

‘The owner of a registered trademark shall have the exclusive right to prevent all third parties not having his consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, likelihood of confusion shall

⁸⁸ Supra note 45 paras [9]-[11].

⁸⁹ 330 F 3d 617 (2003).

⁹⁰ At 628, citing McCarthy J Thomas *McCarthy on Trademarks and Unfair Competition* 4 ed (2002) § 29:25; See further Kelbrick Roshana “Gaps” in Time: When Must a Mark Be Well Known?’ (2006) 37 *International Review of Intellectual Property and Competition Law* 920 at 923; Webster and Page op cit note 14 ¶ 5.4.

⁹¹ Article 3(1).

be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.'

Article 16(2) of the TRIPS Agreement extends the application of article 6bis of the Paris Convention to include not only goods but also services.

Also, article 16(3) of the TRIPS Agreement states:

'Article 6(bis) of the Paris Convention shall apply, *mutatis mutandis*, to goods and services which are not similar to those in respect of which the trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.'

The provisions regarding well-known marks contained in these international treaties have proved to exert a strong influence on the national trade-mark legislation pertaining to well-known marks. It is actually expected of signatory nations to introduce certain statutory provisions to comply with their treaty obligations.⁹²

The provisions relating to the protection of well-known marks in the South African Trade Marks Act also flow from the abovementioned treaty provisions.⁹³ Certain marks may not be registered, or, if they have been registered, should be removed from the register. They include –

'a mark which, on the date of the application for registration thereof, or, where appropriate, of the priority claimed in respect of the application for registration thereof, constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark within the meaning of section 35(1) of this Act and which is used for goods or services identical or similar to the goods or services in respect of which the trade mark is well-known and where such use is likely to cause deception or confusion'.⁹⁴

Section 35(1) continues:

'References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark, are to a mark which is well-known in the Republic as being a mark of –

⁹² See *AM Moolla v The Gap* supra note 45 in para [17], where Harms JA states that 'the object of introducing these provisions onto our statute book was to comply with treaty obligations under the Paris Convention and under TRIPS. Article 6bis explicitly requires of countries to protect well-known marks against registered and unregistered marks'. See further Kelbrick Roshana 'The Term 'Well-Known' in South African Trade Mark Legislation: Some Comparative Interpretations' (2005) 3 *CILSA* 435 at 437.

⁹³ See Webster and Page op cit note 14 ¶ 5.4.

⁹⁴ Section 10(6) of the Trade Marks Act (SA).

- (a) a person who is a national of a convention country; or
- (b) a person who is domiciled in, or has real and effective industrial or commercial establishment in, a convention country,
whether or not such person carries on business, or has any goodwill, in the Republic.'

A provision similar to section 10(6) of the Trade Marks Act (SA) can be found in section 56(2) of the Trade Marks Act (UK), which refers expressly to well-known marks:

'The proprietor of a mark which is entitled to protection under the Paris Convention or the WTO Agreement as a well-known trade mark is entitled to restrain by injunction the use in the UK of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.'

As is the case under section 35 of the Trade Marks Act (SA), it is significant to note that the relief provided for in section 56(2) is available irrespective of whether or not the trade-mark proprietor carries on business or has goodwill in the United Kingdom. The protection is similarly limited in that it extends only to a trade-mark proprietor who is resident or domiciled in a Convention country, or has a commercial base in a Convention country.⁹⁵

The Trade Marks Act (SA) creates three forms of infringement in respect of registered trade marks.

In the first instance, section 34(1)(a) states that a registered trade mark is infringed by 'the unauthorized use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion'.⁹⁶

Secondly, section 34(1)(b), in turn, states that a registered trade mark is infringed by 'the unauthorized use of a mark which is identical or similar to the trade mark registered, in the course of trade in relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, that in such use there exists the likelihood of deception or confusion'.⁹⁷

⁹⁵ Section 56(1) of the Trade Marks Act (UK).

⁹⁶ See *Bata Ltd v Face Fashions CC* 2001 (1) SA 844 (SCA); *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA). See also section 10(1) of the Trade marks Act (UK); *Avnet Inc v Isoact Limited* [1998] FSR 16; Edwards Lilian and Waelde Charlotte *Law and the Internet: A Framework for Electronic Commerce* 2 ed (2000) 138-140.

⁹⁷ See *New Media Publishing v Eating Out Web Services CC* 2005 (5) SA 388 (C). See also section 10(2) of the Trade Marks Act (UK); *British Sugar plc v James Robertson and Sons Ltd* [1996] RPC 281; Edwards and Waelde op cit note 96 at 140-142.

Thirdly, the Act proscribes dilution of a registered mark.⁹⁸ Dilution occurs where a third party uses, in the course of trade and without the authority of the trade-mark proprietor, a mark which is identical or similar to a well-known mark in relation to any goods or services, where such use of the particular mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the trade mark.

The Trade Marks Act (UK) contains a similar provision.⁹⁹

In the United States, the Lanham Act provides the proprietor of a 'famous mark' with a remedy against a third party's 'commercial use in commerce', if the use started after the mark had become famous, and if the use 'causes dilution of the distinctive quality of the mark'.¹⁰⁰

Unlike the first two forms of trade-mark infringement, dilution does not require a likelihood of confusion analysis, and does not extend only to the same or similar goods or services.

Neither the Paris Convention nor the TRIPS Agreement defines what constitutes a well-known mark. Instead, whether a mark is well-known is left to the determination of the national registries and courts of the countries in which the registration or use of the offending mark occurs.¹⁰¹ In this way, the extended protection of well-known marks, based on the Paris Convention, provided by the TRIPS Agreement does not deviate from, but rather entrenches, the principle of territoriality.¹⁰² Article 16(2) of the TRIPS agreement states:

⁹⁸ Section 34(1)(c) of the Trade Marks Act (SA). See further *Safari Surf Shop CC v Heavywater and Others* [1996] 4 All SA 316 (D); *McDonald's Corporation v Joburgers Drive-inn Restaurant (Pty) Ltd and Another*; *McDonald's Corporation v Dax Prop CC and Another*; *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* 1997 (1) SA 1 (A); *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International and Another* 2006 (1) SA 144 (CC); Ginsberg P 'Trade-Mark Dilution' in Visser op cit note 38 at 35; Mostert Frederick and Mostert Anton 'Protection of Well-known Trade Marks Under the New Act' (1995) *De Rebus* 443; Pistorius Tana 'Trade-Mark Tarnishment: Should We "Laugh It Off" all the Way to "Telkomsucks" and "Hellcom"?' (2004) 16 *SA Merc LJ* 727.

⁹⁹ Section 10(3) of the Trade Marks Act (UK). See further *British Telecommunications plc v One In A Million Ltd*; *Marks and Spencer plc v One In A Million Ltd*; *Ladbroke's plc v One In A Million Ltd*; *J Sainsbury plc v One In A Million Ltd*; *Virgin Enterprises Ltd v One In A Million Ltd* [1999] FSR 1 (CA); Bentley and Sherman op cit note 17 at 771-773; Edwards and Waelde op cit note 96 at 143-145.

¹⁰⁰ 15 USC § 1125.

¹⁰¹ Rutherford op cit note 63 at 177.

¹⁰² Xue op cit note 59 at 6.

'...In determining whether a trademark is well known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.'

Most national trade-mark laws likewise leave the term 'well-known mark' undefined.¹⁰³

A trade-mark proprietor who seeks to rely on dilution as a course of action accordingly faces the difficulty of establishing that his trade mark is well known in an international trade-mark system where there is no consensus as to what constitutes a well-known mark.¹⁰⁴

Even in national trade-mark systems consistent decision making in dilution disputes is difficult. For example, the phrase 'well-known' is not generally defined in the Trade Marks Act (SA).¹⁰⁵ Instead, section 34(1)(c) adopts terminology similar to that in article 6bis of the Paris Convention by requiring that the mark be 'well-known in the Republic'.¹⁰⁶ It has been argued, correctly, that 'well-known' in the context of section 34(1)(c) should carry a meaning different from 'well-known' in section 35, as the purposes of these provisions are entirely different.¹⁰⁷

The protection of well-known marks in South African jurisprudence is still the subject matter of some debate.¹⁰⁸ A few selected areas of debate are: the fact that the term 'well-known' is used in the context of two distinct types of trade-mark infringement has led to much speculation regarding the question of whether the same interpretation attaches to the term in both contexts. Although South African courts have held that the interpretation given to the term in the context of section 35 of the Trade Marks Act

¹⁰³ On 30 April 1999, WIPO published a report, *The Management of Internet Names and Addresses: Intellectual Property Issues* (the 'Final Report'), available at <<http://www.wipo.int/amc/en/processes/process1/report/index.htm>> (accessed 14 April 2011). In the Final Report (¶ [260]), four areas of conceptual difficulty are highlighted that need to be considered in respect of the protection of famous and well-known trade marks in cyberspace. One of them is the lack of an established treaty definition of what constitutes famous and well-known trade marks.

¹⁰⁴ Rutherford op cit note 63 at 177.

¹⁰⁵ Although not generally defined in the Trade Marks Act (SA), note that s 35(1A) provides that '[i]n determining for the purposes of subsection (1) whether a trade mark is well known in the Republic, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of promotion of the mark'.

¹⁰⁶ Section 10(17), the related registrability provision, similarly refers to a trade mark that is 'well-known in the Republic'.

¹⁰⁷ Rutherford op cit note 63 at 178. For a detailed analysis of the possible interpretations of the term 'well-known', see further Kelbrick op cit note 92 at 438-440 and 449-452.

¹⁰⁸ See, generally, Rutherford op cit note 63 at 177-181; Webster and Page op cit note 14 ¶ 5.4.

(SA)¹⁰⁹ could also be appropriately applied to the interpretation of the term as it appears in section 34(1)(c) of the Act¹¹⁰ some scholars have argued that the term should be given a different meaning in terms of the two sections, considering that the purposes of the two sections are entirely different;¹¹¹ a number of areas of uncertainty arise out of the lack of terminological precision, for example, how far and wide the knowledge of a trade mark must pervade in order to be considered well known;¹¹² or whether the interpretation of the ambit of the phrase ‘use in the course of trade’ in the ‘traditional’ trade-mark infringement context¹¹³ will be considered to be the same in the context of the dilution provisions (s 34(1)(c));¹¹⁴ further the question of when a trade mark must be well known to qualify for protection,¹¹⁵ is also not a matter of certainty. There is, therefore, considerable scope for the clarification of a number of aspects regarding the protection of well-known marks in South African jurisprudence.¹¹⁶

The protection of well-known marks in the United Kingdom is similarly difficult to pin down. Section 56(2) is the only provision of the Trade Marks Act (UK) that expressly refers to well-known marks. However, as I mentioned above, section 10(3) provides for a further type of infringement – where the registered mark has a reputation in the United Kingdom. There is doubt as to what is connoted by ‘without due cause’ and ‘a trade mark with a reputation’, and whether the latter phrase connotes a well-known mark.¹¹⁷ It is generally assumed that a ‘trade mark with a reputation’, in terms of section 10(3), is something less than a well-known trade mark.¹¹⁸ This assumption is based on the fact that well-known marks are dealt with separately in section 56(2), and on the belief that the drafters of the Act would have stated it clearly if they intended the relief provided for in section 10(3) to be limited to well-known marks.¹¹⁹ As one may argue that most trade marks that are in use have some reputation, the uncertainty as to the limits and scope of protection regarding this category remains.¹²⁰

¹⁰⁹ *McDonald's Corporation v Joburgers Drive-inn Restaurant* supra note 98.

¹¹⁰ *Triomed v Beecham Group* supra note 44 at 556.

¹¹¹ See further Kelbrick op cit note 92 at 449; Rutherford op cit note 63 at 178.

¹¹² *Safari Surf Shop v Heavywater* supra note 98. For detailed criticism, see Kelbrick op cit note 92 at 450-451.

¹¹³ *Beecham Group plc v Southern Transvaal Pharmaceutical Pricing Bureau (Pty) Ltd* 1993 (1) SA 546 (A).

¹¹⁴ See Rutherford op cit note 63 at 179-180.

¹¹⁵ *AM Moola v The Gap* supra note 45; Kelbrick op cit note 90 at 922-939.

¹¹⁶ See Kelbrick op cit note 92 at 452.

¹¹⁷ See Bettinger op cit note 75 at 848.

¹¹⁸ Bettinger op cit note 75 at 848; Cornish and Llewelyn op cit note 48 at 603 and 713.

¹¹⁹ Bettinger op cit note 75 at 848.

¹²⁰ See Bettinger op cit note 75 at 859; Kelbrick op cit note 92 at 440-443.

The limits and scope of protection in terms of section 10(2) of the Act is similarly uncertain apart from stating that the better known the mark is, the easier it will be to prove likelihood of confusion.

What constitutes 'fame' is also not defined in the Lanham Act, and is therefore difficult to determine, although the Act does contain a list of factors that the courts may consider when they assess fame.¹²¹ These factors are: the degree of inherent or acquired distinctiveness of the mark; the duration and extent of use of the mark in connection with the goods or services with which it is associated; the duration and extent of advertising and publicity of the mark; the geographic extent of the trading area in which the mark is used; the channels of trade for the goods or services with which the mark is used; the degree of recognition of the mark in the trading areas and channels of trade used by the owner of the mark and the person against whom the injunction is sought; the nature and extent of use of the same or similar marks by third parties; and whether the mark was registered on the principal register or under the 1881 or 1905 Federal Trademark Acts.¹²²

As I indicated above, WIPO drafted provisions on the protection of well-known trade marks.¹²³ This recommendation was drafted to address some of the shortcomings of the protection under article 6bis of the Paris Convention and article 16 of the TRIPS Agreement. Although the Joint Recommendation does not define a well-known mark and that it can be argued that it worsened the 'linguistic muddle'¹²⁴ associated with the inaccurate use of terminology regarding the two different types of infringement (in the context of Paris Convention protection and dilution protection) by not using two different terms for the two concepts of well-known mark infringement,¹²⁵ it does list a number of guidelines to assist in determining whether a particular mark is well-known in a country. The determining factors listed are: the degree of knowledge or recognition of the mark

¹²¹ 15 USC § 1125(c). See also Freedman and Deane *op cit* note 74 at 357; Kelbrick *op cit* note 90 at 931-932.

¹²² The Trademark Dilution Revision Act of 2006 (HR 683) was adopted in an effort to address the uncertainty regarding 'famous' marks. The Act states that 'a mark is famous only if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner' (s 2(2)(A)). The section continues by stating that the factors listed above can be considered, along with any other relevant factors, in determining whether a mark possess the requisite degree of recognition.

¹²³ See note 85 above.

¹²⁴ World Trade Mark Symposium 'Famous Trademarks' (1992) 82 *TMR* 989.

¹²⁵ Kelbrick *op cit* note 92 at 447.

in the relevant sector of the public; the duration, extent, and geographical area of any use of the mark; the duration, extent, and geographical area of any promotion of the mark, including advertising or publicity and presentation at fairs or exhibitions, of the goods and/or services to which the mark applies; the duration and geographical area of any registration and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark; the record of successful enforcement of rights in the mark, in particular the extent to which the mark was recognised as well known by competent authorities; and the value associated with the mark.¹²⁶ Note the repeated reference to the 'geographical area'. Although the Joint Recommendation is not legally binding, it does provide authoritative guidelines to a national authority which needs to determine if a mark is well known within its borders.¹²⁷

2.2.3 Territoriality: Concluding Remarks

There are many foundations upon which the principle of territoriality rests and many justifications for the multi-dimensional territorial character of trade-mark laws. The law has always been contextual in nature, and the notion of context in a legal sense is inherently and inextricably linked to geography.¹²⁸ The primary purpose of trade-mark law illustrates this very clearly. Trade marks intrinsically encapsulate the norms and rules in terms of which proprietor goodwill is determined and protected, and by which consumers are safeguarded against confusion when they choose between the goods and services of two or more proprietors within a geographical area to which the reach of these norms and rules extend. The reach of trade-mark rights is determined geographically, whether based on use, in the case of common-law trade marks, or the registration of trade marks, in registration based systems. Trade-mark rights are, in principle, defined by national legislatures and operate according to the norms and rules determined by a particular nation state. The structures within which these rights operate are similarly provided by the nation state.

Trade-mark law is in theory and practice a tool used to protect economic value, and to further economic development and expansion. It is an extension not only of economic,

¹²⁶ See also Rutherford *op cit* note 63 at 181.

¹²⁷ See Xue *op cit* note 59 at 7. See further Kunze Gerd 'Improving the Protection of Well Known Marks: Introduction to the New WIPO Provisions' (1999) 119 *Trademark World* 22.

¹²⁸ See Dinwoodie *op cit* note 87 at 892; Zekos Georgios I 'Trademarks and Cyberspace' (2006) 9 *The Journal of World Intellectual Property* 496 at 505.

trade, and political policy, but also of the broader underlying social norms and commercial practices within the geographical area to which it applies. The territorial character of trade-mark law is grounded, therefore, on the policy objectives and political authority of the nation state, which finds application through its political institutions and enforcement authorities.¹²⁹ Trade-mark rights and trade-mark laws rooted in the territoriality principle have always strained against the realities of commerce. This strain has become accentuated with the advent of modern technology, and especially global information networks, such as the Internet with its international domain name system.

In the era of globalised commerce, social norms and commercial practices are more inclined and susceptible to embrace change than political and policymaking institutions would be to effect the change necessary to reflect the commercial and economic realities.¹³⁰ These increasingly globalised social norms and commercial practices are less territorially confined and less concordant with the nation state.¹³¹ The fundamental aspects of the principle of territoriality that are extensions of political and/or policymaking authority, are much more restrained and thus more conceptually set and constant than the aspects of territoriality that are rooted in the social and commercial practices that determine the reach and scope of a particular trade-mark right. Even though the principle of trade-mark territoriality has remained relatively constant and intact in theory, it is fair to say that because of recent developments the principle of territoriality may have acquired a different intensity and nuanced character.¹³²

Interesting and challenging questions arise regarding the dilemmas facing the inherent territorial character of trade marks in the global market place today. Which aspects of the multidimensional principle of territoriality should be revisited, and to what extent are reforms of these aspects appropriate? To what extent is a drastic reconfiguration of the principle of territoriality wise or even possible?¹³³ Has necessity forced the creation of global political institutions that are indispensable for the formulation and enforcement of global trade mark rights?¹³⁴ Some of these questions will be explored in more detail below in the domain name context.

¹²⁹ See Dinwoodie op cit note 87 at 888; Zekos op cit note 128 at 505-506.

¹³⁰ Dinwoodie op cit note 87 at 888.

¹³¹ Zekos op cit note 128 at 507.

¹³² Dinwoodie op cit note 87 at 888.

¹³³ Idem at 889.

¹³⁴ See Zekos op cit note 128 at 507.

3 Are Domain Names Property?

3.1 Introductory Remarks

There has for some time been substantial uncertainty regarding the interplay between trade marks and domain names. After more than a decade of legislative evolution, theoretical speculation, and a substantial body of jurisprudence a number of fundamental questions concerning the interplay between trade marks and domain names remain largely unanswered.¹³⁵ One of them is the classification of domain names. What is a domain name? Is it essentially a trade mark, or simply an address, or both?¹³⁶ What rights attach to a domain name, and how should they be classified? As intellectual property rights, or rights arising from contract, or are they somehow an amalgam of both? Are domain names property? Are domain names part of a new category of property called 'virtual property'¹³⁷ or 'cyberproperty'?¹³⁸ Do domain names exist separately from the goodwill or value created by the domain name user? Should all domain names be classified in the same way, or should some domain names be classified as 'property' and others not?¹³⁹ Finding answers

¹³⁵ The first domain name was 'symbolics.com', registered on 15 March 1985. It was followed soon by 'think.com'. The first .edu domain names were 'cmu.edu', 'ucla.edu', 'rice.edu', and 'purdue.edu', registered by United States universities in April 1985. There were only five .com, one .org, no .net, seventeen .edu, one .gov, and one .uk domain names registered by October 1985. By October 1991, six years later, there were only 165 .com, 20 .net, 285 .edu, 29 .gov, and 110 ccTLDs registered. The number of registrations increased dramatically from this date onwards. By January 1999, a University of California study estimated the number of registered domain names to be 5 491 696, a figure which more or less doubled to 10 910 997 registered domain names when a new study was published in September 1999. In August 2001, there were 36 126 136 registered domain names, according to the web site 'www.domainstats.com'. In March 2003, ICANN estimated the number of registered domain names to be in excess of 50 million (see Olsen John R, Maniatis Spyros M, Wood Nick and Wilson Caroline *Domain Names Global Practice and Procedure* (2003) Introduction 7-1. In August 2008, the registered .com domain names numbered 77 044 305, the .net domain names numbered 11 705 346, with the total number of registered domain names across all TLDs standing at 104,231,973 (see <<http://www.domaintools.com/internet-statistics/>> for up to date statistics> (accessed 2 April 2011). One of the main reasons for the exponential growth was the fact that the United States Congress gave the green light for commercial activity on the Internet in 1992 (see 'Management of Internet Names and Addresses' 63 Fed Reg 31,741 and 31,742 (10 June 1998). Only a few years later, from the mid-1990s, the first domain-name conflicts came to the fore (see Batavia Neil 'That Which We Call a Domain by any Other Name Would Smell as Sweet: The Overbroad Protection of Trade Mark Law as it Applies to Domain Names on the Internet' (2002) 53 *South Carolina LR* 461 at 463 and 467.

¹³⁶ Edwards and Waelde op cit note 96 at 133-169.

¹³⁷ The terms 'virtual property' and 'cyberproperty' refer to the same 'asset' class and can, generally, be used interchangeably. Some authors prefer 'virtual property': see Blazer Charles 'The Five Indicia of Virtual Property' (2006) 5 *Pierce LR* 137; Lawrence Dan E 'It Really Is Just a Game: The Impracticality of Common Law Property Rights in Virtual Property' (2007) 47 *Washburn LJ* 505; Nelmark David 'Virtual Property: The Challenges of Regulating Intangible, Exclusionary Property Interests Such as Domain Names' (2004) 3 *Northwestern J of Technology and Intellectual Property* 1.

¹³⁸ See Bellia Patricia L 'Defending Cyberproperty' (2004) 79 *New York Univ LR* 2164; Nguyen Xuan-Thao N 'Cyberproperty and Judicial Dissonance: The Trouble with Domain Name Classification' (2001) 10 *George Mason LR* 183; Rose Carol M 'The Several Futures of Property: Of Cyberspace and Folk Tales, Emission Trades and Ecosystems' (1998) 83 *Minnesota LR* 129; Polk Wagner R 'On Software Regulation' (2005) 78 *South California LR* 457.

¹³⁹ Nguyen op cit note 138 at 185.

to these questions is not only crucial in the modern commercial environment in which domain names play an increasingly important role, but also in the legal environment within which the rights relating to domain names are determined and enforced.

Here I shall focus only on whether a domain name should be classified as a property right or a contractual right granted in terms of a registration agreement. Domain names have been compared to addresses,¹⁴⁰ trade marks,¹⁴¹ a cow,¹⁴² some or other strange animal or wild creature,¹⁴³ and a telephone number.¹⁴⁴ Judicial decisions, domain name dispute resolution service provider decisions, and academic writing point to significant dissonance relating to the proper classification of domain names. Most courts, courts in different jurisdictions, and even courts within the same state or national jurisdiction, seem to embrace divergent views when confronted with the issue of appraising the nature of a domain name.

3.2 Positions in Different National Jurisdictions

3.2.1 The United Kingdom

In the United Kingdom, the question of whether a domain name is an item of property or whether it is merely a contractual right which entitles the registrant to use the domain name has not been resolved definitively.¹⁴⁵ It seems that Nominet, which is responsible for the registration and administration of domain names in the .uk domain-name space, is of the opinion that a domain-name registration in the .co.uk domain-name space does not confer outright ownership of the registration in a domain name but rather a right to use the domain name, which right arises by virtue of the registrant concluding a registration contract with Nominet.¹⁴⁶ Nominet states on its web site:

'The registration entitles you to be a domain name holder i.e. to use the domain name for a 2-year period, however you do not become the owner of the name and if the name is not renewed, it becomes available for other potential applicants.'¹⁴⁷

¹⁴⁰ *Panavision International LP v Toeppen* 141 F 3d 1316 CA (1998); see also Freedman and Deane op cit note 74 at 361.

¹⁴¹ *Umbro International Inc v 3263851 Canada Inc* 527 SE 2d 80 (ED VA 2000).

¹⁴² Oppedahl C 'Remedies in Domain Name Law Suits: How Is a Domain Name Like a Cow?' (1997) 15 *John Marchall J of Computer and Information Law* 437.

¹⁴³ See Nelmark op cit note 137 at 7.

¹⁴⁴ See Burshstein Sheldon 'Is a Domain Name Property?' (2005) 1 *J of Intellectual Property and Practice* 59; Freedman and Deane op cit note 74 at 361.

¹⁴⁵ See Bettinger op cit note 75 at 870.

¹⁴⁶ Ibid.

¹⁴⁷ <<http://www.nic.uk/registrants/aboutdomainnames/legal/terms/>> (accessed 9 May 2011).

Nominet was party to *Pitman Training Ltd and Another v Nominet UK and Another*,¹⁴⁸ in which it was common cause between the parties that domain names are not property rights.¹⁴⁹ It seems that, on a practical level, the classification of domain names as property or contractual rights does not make a significant difference in the United Kingdom, as domain names are often bought and sold and licensed by agreements similar in nature to other intellectual-property licenses. There also seems to be no particular reason why domain names with a value cannot be used as security for financing arrangements, or why the English courts will not be willing to order a domain-name registration to be transferred to a creditor in lieu of a monetary payment.¹⁵⁰

With regard to the enforceability of domain-name rights against third parties, Willoughby is of the view that domain names are not only capable of being registered as trade marks but that domain names are, by virtue of use, also capable of generating goodwill that can be protected by means of an action for passing-off. In this sense domain names can be said to embody rights that can be enforced against third parties, irrespective of whether the rights are in property or contract.¹⁵¹ Although Deveci states that the conflicting interests of trade-mark proprietors and domain-name owners should be balanced, and that it is important that trade-mark law should not overreach its scope, he agrees with Willoughby that a domain name is in certain circumstances deserving of the protection of trade-mark laws, both in respect of registered trade-mark protection and an action for passing off.¹⁵²

3.2.2 The United States of America

In the United States of America, the question whether a domain name constitutes a property right has also not yet been finally resolved. It does seem, however, that domain names can be assigned and licensed freely.¹⁵³ Taking into account the prices paid for domain names, one may argue that purchasers may be under the distinct impression that they are actually buying property.¹⁵⁴

¹⁴⁸ *Pitman Training Limited and Another v Nominet UK and Another* [1997] FSR 797.

¹⁴⁹ Bettinger op cit note 75 at 871; Murray op cit note 72 at 294-295.

¹⁵⁰ Bettinger op cit note 75 at 872.

¹⁵¹ *Idem* at 873.

¹⁵² For a detailed discussion of the interplay between trade marks and domain names in English case law, see Deveci Hasan A 'Domain Names: Has Trade Mark Law Strayed from its Path?' (2003) 11 *International J of Law and Information Technology* 203.

¹⁵³ Bettinger op cit note 75 at 914.

¹⁵⁴ It is reported that the domain name 'sex.com' was worth \$250 million in 2000. The domain name 'business.com' was bought for \$7.5 million, and the domain name 'loans.com' for \$3 million in 2000 (see

Courts in the United States have, however, given varied answers to the question as to whether a domain name can be classified as property.

In *Network Solutions Inc v Umbro International Inc*,¹⁵⁵ *Dorer v Arel*,¹⁵⁶ and *Farmology.com Inc v Perot Sys Corp*,¹⁵⁷ the domain names in issue were found not to be property. The courts in *Network Solutions* and *Dorer* stated that the domain names before the courts were not subject to a garnishee order, as their use were inextricably linked to the services provided by the domain-name registrar, and characterised a domain name as a product of contract.¹⁵⁸ In *Farmology.com*, the court dismissed a claim for conversion stating that under state law the tort of conversion was limited to tangible property, or intangible property that has merged with a document.¹⁵⁹

The enactment of the Anticybersquatting Consumer Protection Act¹⁶⁰ (ACPA) did not contribute in any valuable sense to the domain-name as property debate. A number of decisions in which courts have dealt with the provisions of the ACPA only managed further to cloud the issue.¹⁶¹ The ACPA includes a provision that allows plaintiffs to file an in rem action against a domain name.¹⁶² This provision posed the question of whether a domain name is property, as an in rem action is in principle an action against property itself.¹⁶³

In *Caesars World Inc v Caesars-palace.com*,¹⁶⁴ the court rejected an argument that a domain-name registration cannot be a res, as a domain name is merely data that forms

Nguyen op cit note 144 in notes 11, 12, and 13, respectively. The *Wall Street Journal*, however, reported that 'sex.com' was sold for \$12 million, in 2006, while 'diamond.com' was sold for \$7.5 million, in the same year. The domain-name auction site 'GreatDomains.com' listed the domain name 'shrimp.com' to be worth \$3 million, and 'hikers.com' \$850 000, in late 2007 (see <<http://www.greatdomains.com/>> (accessed 28 April 2011)).

¹⁵⁵ *Network Solutions Inc v Umbro International, Inc* 529 SE 2d 80 (Va 2000).

¹⁵⁶ *Dorer v Arel* 60 F Supp 2d 558 (ED Va 1999).

¹⁵⁷ *Farmology.com v Perot Sys Corp* 158 F Supp 2d 589 (ED Pa 2001).

¹⁵⁸ See *America Online Inc v Huang* 106 F Supp 2d 848 (ED Va 2000) and *Wornow v Register.com* 778 NYS 2d 25 (NY App Div 2004), which followed the reasoning of *Umbro* in deciding that a domain name is not personal property but rather a contractual right.

¹⁵⁹ Bettinger op cit note 75 at 914. For a number unreported United States decisions supporting the position that domain names are not property, see further Burshtein op cit note 144 at 60. For a more detailed discussion of domain-name property interests in United States, see Blackerby Steven 'Flat Broke and Busted, But Can I Keep my Domain Name? Domain Name Property Interests in the First, Fifth, and Eleventh Circuits' (2003) 11 *J of Intellectual Property Law* 117.

¹⁶⁰ 15 USC § 1125(d).

¹⁶¹ Burshtein op cit note 144 at 61.

¹⁶² 15 USC § 1125(d)(2)(A).

¹⁶³ Bettinger op cit note 75 at 915.

¹⁶⁴ 112 F Supp 2d 502 (ED Va 2000).

part of an Internet addressing computer protocol. The court not only concluded that the legislation was constitutional, but that it made a domain name property, and that the in rem provision of the statute accordingly involved property rights.¹⁶⁵ The in rem provision in the ACPA was also interpreted in the appellate decision of *Porsche Cars North America v Porsche.net*,¹⁶⁶ in which the court rejected the argument that a domain name is nothing more than an address, but that the legislature plainly treated domain names as property in the ACPA.¹⁶⁷

In the legislative process preceding the enactment of the ACPA, both the House Committee Report¹⁶⁸ and the Senate Committee Report¹⁶⁹ repeatedly used the word 'property' in the domain-name context of the ACPA. In so doing they clearly supported the view that a domain name should be seen as 'property' for the purposes of the in rem action in the ACPA.¹⁷⁰ It can, however, be argued that as the ACPA does not specifically state that a domain name is property, and as the ACPA does not address the relationship between a domain-name registration and the contract with the domain-name registry, no property right attaches to a domain name, because a domain-name registration does not exist separately from the registration contract.¹⁷¹ Burshtein submits that the condition for the in rem action under the ACPA (the action is available to a trade-mark proprietor only if the proprietor is unable to obtain personal jurisdiction over the defendant, or to locate him or her¹⁷²) indicates that the in rem action is merely a procedural technique, because of the difficulties in obtaining in personam jurisdiction over cyber squatters.¹⁷³ It is consequently argued that the *Porsche* decision merely proposes that a domain name is subject to in rem jurisdiction as if it were property for the purposes of the ACPA.¹⁷⁴

In *Kremen v Cohen*,¹⁷⁵ in which the domain name sex.com was in issue, a lower court in the state of California held, in the context of the tort of conversion, that a domain name is

¹⁶⁵ Bettinger op cit note 75 at 915.

¹⁶⁶ 64 USPQ 1248 (CA 4 2002).

¹⁶⁷ Burshtein op cit note 144 at 61; Freedman and Deane op cit note 74 at 396.

¹⁶⁸ 106 H Rpt 412.

¹⁶⁹ 106 S Rpt 140.

¹⁷⁰ Bettinger op cit note note 75 at 915.

¹⁷¹ Burshtein op cit note 144 at 61.

¹⁷² 15 USC § 1125(d)(2)(A)(ii).

¹⁷³ Burshtein op cit note 144 at 61.

¹⁷⁴ Ibid.

¹⁷⁵ 99 F Supp 2d 1168 (ND Cal 2000).

not property.¹⁷⁶ This decision was later overturned on appeal by the Ninth Circuit,¹⁷⁷ which found that the domain name in question was indeed property for the purposes of conversion law.¹⁷⁸ The appeal court held that a domain name was a form of intangible property, as (a) it represents an item of precise definition, (b) it is subject to exclusive possession or control, and (c) a registrant has a legitimate claim to exclusivity.¹⁷⁹ However, after *Kremen*, the appeal court in *Wornow v Register.com*,¹⁸⁰ held that a domain name is not personal¹⁸¹ property unless it is registered as a trade mark.¹⁸²

3.2.3 Selected Other Jurisdictions

In other jurisdictions the answer to the question regarding the classification of domain names appears equally uncertain. In *Easthaven Ltd v Nutrisystem.com Inc*,¹⁸³ the Ontario Superior Court stated in passing that although domain names are difficult to characterise as 'real' or 'personal' property, they could be characterised as intangible property.¹⁸⁴ In *Molson Breweries, a Partnership v Kuettner*,¹⁸⁵ concerning the domain names molson.com and molsonbeer.com, the Canadian court declined to find that a domain name was property. It could constitute intellectual property, though, which, in turn, could not be regarded as property in terms of Canadian Federal Court Rule 377.¹⁸⁶ Registrants registering a domain name in the .ca domain name space in terms of the Canadian Internet Registration Authority (CIRA) Registrant Agreement, also expressly agree that the registration of a domain name does not create a proprietary right in any name used as a domain name, and that the entry of a domain name in the CIRA register should not be construed as evidence of ownership of the registered domain name.¹⁸⁷

¹⁷⁶ Bettinger op cit note 75 at 915; Burshtein op cit note 144 at 62.

¹⁷⁷ *Kremen v Cohen* 67 USPQ 2d 1502 (CA 9 2003).

¹⁷⁸ Bettinger op cit note 75 at 915; Burshtein op cit note 144 at 61.

¹⁷⁹ Burshtein op cit note 144 at 61.

¹⁸⁰ Supra note 158 at 26.

¹⁸¹ In American law, the term 'personal property' connotes any object susceptible of ownership, which is not 'real property'. The object of personal property is described as a good or a chattel (movable asset), and may be tangible (a physical object) or intangible (such as a bank account). The basis for ownership of personal property is typically a right to the possession of an object. The term 'real property', by contrast, connotes immovable property, notably land, see Hall Kermit L (ed) *The Oxford Companion to American Law* (2002) 664 and 667.

¹⁸² Burshtein op cit note 144 at 62.

¹⁸³ *EastHaven Ltd v Nutrisystem.com Inc* (2001) 55 OR 3d 334 (Ontario Superior Court of Justice).

¹⁸⁴ Burshtein op cit note 144 at 62.

¹⁸⁵ (1999) 3 CPR (4th) 479 (Federal Court, Trial Division).

¹⁸⁶ Canadian Federal Court Rules 1998 SOR 98/106, as amended. See Burshtein op cit note 144 at 62-63.

¹⁸⁷ See Burshtein op cit note 144 at 63; CIRA Registrant Agreement para 3.2, available at <<http://www.cira.ca/assets/Documents/Legal/Registrants/registrantagreement.pdf>> (accessed 24 May 2011).

In *Paeffgen GmbH v ad-acta Datenschulz und GmbH Bundesverfassungsgericht*,¹⁸⁸ a German court held that a domain name is property granted in terms of a contract, but that certain obligations and requirements in terms of trade-mark law need to be met before a right to use the property arises.¹⁸⁹

3.2.4 South Africa

In South Africa, the answer to the question as to whether a domain name can be classified as 'property' in a legal sense is currently as uncertain as it is in almost all other international jurisdictions. South African courts have not yet provided an answer in this regard, and until they do, it may be wise to assume that a domain name does not confer any specific type of property right on its registrant, but merely rights in terms of a contractual agreement between the domain-name registrant and the registrar. Thus, for securitisation purposes, for example, the security will take the form of cession in *securitatem debiti*, with the inclusion of a negative pledge, as the lender will not gain real protection from the security but only contractual protection.¹⁹⁰ One can but hope that when our courts have to answer this question, they will approach it with a keen appreciation of the complexities and broader social, economic, constitutional, and commercial interests involved.

3.3 No Jurisdiction Specific or International Consensus

It is clear that different jurisdictions take divergent views about the extent to which domain names should be classified as property or intellectual property, both or neither, if at all, or as a contractual right only.¹⁹¹ Even within the same jurisdiction different attitudes prevail. Although an appeal court in the United States has held that a domain name is a form of intellectual property,¹⁹² and although the United States Congress enacted the Anticybersquatting Consumer Protection Act, which, for purposes of the *in rem* action, appears to assume that a domain name is a form of intellectual property,

¹⁸⁸ BVR 1306/02 (24 November 2004).

¹⁸⁹ Burshtein *op cit* note 144 at 63.

¹⁹⁰ See Locke Natania 'The Use of Intellectual Property as Security for Corporate Debt' (2004) 16 *SA Merc LJ* 716 at 723.

¹⁹¹ Gold Andrew S 'A Property Theory of Contract' (2009) 103 *Northwestern University Law Review* 2 for an interesting discussion in which Gold analyses contractual performance in property terms by viewing contracts as a transfer of ownership over future actions.

¹⁹² *Kremen v Cohen supra* note 175.

the issue remains largely unresolved. In the face of the current legislative vacuum and in the absence of international consensus, courts all around the world seem unable to offer appropriate guidance as to the legal principles to be applied in determining whether domain names are a new kind of intellectual property, an altogether new class of property, or merely a contractual right in terms of a signed registration agreement. This uncertainty, which has defied resolution during the past decade,¹⁹³ seems likely to remain for some time to come.

As there is no formal link between the international domain-name system and national trade-mark laws, new principles have to be developed on an international level more clearly to define the nature of domain names and the respective rights of domain-name registrants and trade-mark proprietors.¹⁹⁴ At present, however, it can be argued that the preferred, but by no means certain or generally accepted view is that a domain name is not property in the traditional legal sense.¹⁹⁵ Care should, however, be taken not merely to cling to the proposition that a domain name is 'not property' because of the difficulty in pinning it, by analogy, to an existing or traditional category of property. The 'not property' label can, if clung to too desperately, be potentially harmful to the extension of existing commercial laws and practices to electronic assets. This can, in turn, take valuable assets, such as domain names, out of the pool of rights that can in the appropriate circumstances be used, for example, as security for a loan.¹⁹⁶

3.4 The 'Propertization' Debate

3.4.1 The 'Propertization' Debate in the Intellectual Property Context

Whether a domain name is an intellectual-property right or a contractual right also brings to the fore the equally controversial 'propertization' debate. 'Propertization' connotes the scholarly discussion of the extension of exclusive trade-mark rights by prohibiting uses beyond the classic passing off context.¹⁹⁷ The 'propertization' debate addresses the fear

¹⁹³ See Lipton Jacqueline 'What's in a (Domain) Name? Web Addresses as Loan Collateral' (1999) 2 *J of Information, Law and Technology*, available at <http://www2.warwick.ac.uk/fac/soc/law/elj/jilt/1999_2/lipton/> (accessed 12 April 2011); Nathenson I 'Showdown at the Domain Name Corral: Property Rights and Personal Jurisdiction Over Squatters, Poachers and other Parasites' (1997) 58 *Univ of Pittsburg LR* 911.

¹⁹⁴ Lipton Jacqueline 'Can Intellectual Property Survive the Information Age?' (2003) 3(2) 'Intellectual Property and Social Needs in a Networked World' *STS Nexus Supplement* 18 at 21.

¹⁹⁵ Burshtein op cit note 144 at 63.

¹⁹⁶ Moringiello Juliet M 'False Categories in Commercial Law: The (Ir)relevance of (In)tangibility' (2007) 35 *Florida State Univ LR* 119 at 140-141.

¹⁹⁷ See Barnes David W 'Trademark Externalities' (2007) 10 *Y Journal of Law and Technology* 1.

that trade-mark law has ‘leaped its natural moorings’¹⁹⁸ and ‘strayed from its path’,¹⁹⁹ in that trade-mark protection has evolved beyond its intended scope. It is argued that trade-mark rights increasingly tend to be treated as a standard property right because of an overly expansive trade-mark definition, coupled with the inconsistent application of trade-mark infringement principles.²⁰⁰ A number of modern trade-mark law trends evince this fear of the overbroad protection of trade marks. Some of these trends fall outside the scope of this thesis and will accordingly not be discussed in detail.²⁰¹ The trends that are most relevant internationally are the expansion of the dilution doctrine, the broadening of the meaning of trade-mark ‘use’, and the overbroad and inconsistent protection of trade marks in the domain name context.

Courts, and domain-name dispute resolution adjudicators, should resist the temptation to protect trade marks beyond the core values²⁰² of trade-mark law.²⁰³ If courts are not eagle-eyed in their interpretation and application of these core values, the overly expansive protection of trade marks in the direction of unlimited property rights for trade-mark proprietors could be taken to an extreme²⁰⁴ and ‘upset the delicate balance between free competition and fair competition’.²⁰⁵

In *Laugh It Off Promotions CC v SAB International (Finance) BV*,²⁰⁶ Harms JA stated the following in an effort to localise trade marks in the South African context:

‘Prof David Vaver, for one, has pointed out that intellectual property cannot be treated as an absolute value. Its value should be weighed up against a range of values of at least

¹⁹⁸ See Bartholomew Mark ‘Making a Mark in the Internet Economy: A Trademark Analysis of Search Engine Advertising’ (2005) 58 *Oklahoma LR* 179 at 206.

¹⁹⁹ See Devעי op cit note 152 at 203.

²⁰⁰ Bartholomew op cit note 198 at 206.

²⁰¹ For a detailed discussion of the controversial areas of the trade-mark propertization debate, see Pulos Michael ‘A Semiotic Solution to the Propertization Problem of Trademarks’ (2006) 53 *UCLA LR* 833.

²⁰² Traditionally, two basic principles underpinned trade-mark protection – territoriality (a trade mark is protected only in its area of registration), and specialty (a trade mark is protected only against use on the goods in respect of which it is registered) (see Kelbrick op cit note 92 at 436).

²⁰³ See Dogan Stacey L and Lemley Mark A ‘Trademarks and Consumer Search Costs on the Internet’ (2004) 41 *Houston LR* 777 at 783; see also Batavia op cit note 135 at 486.

²⁰⁴ Batavia op cit note 135 at 483; see also Lemley Mark A ‘The Modern Lanham Act and the Death of Common Sense’ (1999) 108 *Yale LJ* 1687 at 1714; Lunney Glyn S Jnr ‘Trademark Monopolies’ (1999) 48 *Emory LJ* 367 at 370; Port Kenneth L ‘Trademark Monopolies in the Blue Nowhere’ (2002) 28 *WM Mitchell LR* 1091 at 1093 (he criticises the growing tendency to treat trade marks as ‘property’).

²⁰⁵ Kelbrick op cit note 92 at 451; McCarthy op cit note 90 § 24;279;.

²⁰⁶ 2005 (2) SA 46 (SCA) para [9], with reference to Vaver David ‘Canada’s Intellectual Property Framework: A Comparative Overview’ (2004) 17 *Intellectual Property Journal* 125 at 187-188.

equal importance such as the 'right of people to imitate others, to work, compete, talk, and write freely, and to nurture common cultures. This court, too, on occasion emphasized that intellectual property rights should be confined within their legitimate boundaries.'

However, the judge continues to find that trade marks are property, in spite of the judicial resistance and theoretical objections from certain quarters:²⁰⁷

'On the other hand, and in spite of some judicial resistance in certain quarters, trade marks are property, albeit intangible or incorporeal. The fact that property is intangible does not make it of a lower order. Our law has always recognized incorporeals as a class of things in spite of theoretical objections thereto. Also, simply, because, as the appellant has it, trade mark protection and branding are the result and part of a "capitalistic" economy does not mean that trade marks may be disregarded by those who do not believe in such an economy.'²⁰⁸

He added:

'But then again, intellectual property rights have no special status. The Constitution does not accord them special protection and they are not immune to constitutional challenge. Even if constitutional, their enforcement must be constitutionally justifiable.'²⁰⁹

In the majority on appeal to the Constitutional Court, Moseneke J stated:²¹⁰

'Courts must be astute not to convert the anti-dilution safeguard of renowned trade marks usually controlled by powerful financial interests into a monopoly adverse to other claims of expressive conduct of at least equal cogency and worth in our broader society'.²¹¹

The principal goals of trade-mark protection do not ultimately imply or necessitate that trade marks be classified as a standard form of property, or that trade-mark proprietors²¹² should enjoy the same rights as the owners of real property.²¹³ This is also true of other forms of intellectual property. Although the principal motivation for protecting patents and copyright (most importantly, the protection of inventors and artists in order to foster and promote creativity) are as relevant today as when these

²⁰⁷ Notably, the minority judgment in *Mutual of Omaha Insurance Co v Novak* 836 F 2d 397 (1987) at 405-406.

²⁰⁸ *Idem* para [10].

²⁰⁹ *Idem* para [11].

²¹⁰ *Laugh It Off Promotions* supra note 98 para [48].

²¹¹ *Ibid.* For a comprehensive discussion of the Supreme Court of Appeal and Constitutional Court decisions, see Webster and Page op cit note 14 ¶ 1.9. For a discussion of the Constitutional Court decision, see also Van der Merwe Dana, Roos Annaliene, Pistorius Tana and Eiselen Sieg *Information and Communications Technology Law* (2008) 217-219.

²¹² Webster and Page op cit note 14 ¶ 5.3 state that under the South African common law a trade mark cannot as such be the subject of proprietary rights. See also *Victoria's Secret Inc v Edgars Stores Ltd* 1994 (3) SA 739 (A) at 744C, 'The word "proprietor" (which is not defined in the Act) is not here used in relation to a common-law right of property. Nor does it import ownership of the "mark" as such' (per Nicholas AJA).

²¹³ Bartholomew op cit note 198 at 207.

rights were conceived, these rights should remain restricted so as not to lead to an unwarranted extension of these rights. Trade-mark law has also, since its conception, imposed restrictions on a trade-mark proprietor's rights and can these rights consequently not be compared to the rights of owners of 'personal' or 'real' property.²¹⁴ Trade-mark law has never conferred an absolute monopoly, nor should it. Trade-mark protection should operate in the context of a regulatory environment where the justifications for the protection of trade marks are balanced with the broader social, economic, constitutional, and practical considerations present in a global society.²¹⁵

As Harms JA recently warned:

'The reason IP has lost its meaning is the indiscriminate expansion of IPRs. What Alexandra Sims had to say about copyright can be extrapolated to other IP fields: "Copyright protects almost everything and that which it protects, it protects indiscriminately".'²¹⁶

And –

'IP law is in a crisis. In both the developed and the developing world it is fast losing its focus because it has become everything for everyone.'²¹⁷

3.4.2 The 'Propertization' Debate in the Domain Name Context

As domain names are often treated as trade marks, the 'propertization' debate is equally relevant to the domain-name context. Deveci²¹⁸ and Nguyen²¹⁹ state that it may be argued that domain names can be classified as trade marks as defined in most trade-mark laws. The Trade Marks Act (SA) defines a trade mark as 'a mark ... for the purpose of distinguishing the goods or services' of one person from the goods or services of another person.²²⁰ The Act also defines a 'mark' as 'any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral ...'.²²¹ The terms 'mark' and 'sign' are also generally used interchangeably in dictionary definitions. The *Concise Oxford Dictionary* defines a 'sign' as a 'mark, symbol or devise used to represent

²¹⁴ Ibid.

²¹⁵ Idem at 208.

²¹⁶ Harms LTC 'A Few Negative trends in the Field of Intellectual Property Rights' (2009) 72 *THRHR* 1 at 3, quoting Sims Alexandra 'The Denial of Copyright on Public Policy Grounds' 2008 *EIPR* 189.

²¹⁷ Harms op cit note 216 at 16.

²¹⁸ Deveci op cit note 152 at 206.

²¹⁹ Nguyen op cit note 138 at 195.

²²⁰ Section 2. See also section 1 of the Trade Marks Act (UK), which similarly defines a trade mark as 'any sign ... capable of distinguishing' the goods of one undertaking from those of other undertakings.

²²¹ Section 2.

something or to distinguish the thing on which it is put'.²²² There is little doubt that a particular domain name can be seen as a 'mark' or a 'sign' that is capable of conveying information. Deveci accordingly argues that domain names are by virtue of their inherent qualities capable of, and are actually used to distinguish one person's web site from the web site of another person.²²³

The reality is, however, that not all domain names should be afforded trade-mark protection. Every domain-name/trade-mark conflict should be resolved in a properly reasoned legal, economic, and social context in accordance with established trade-mark jurisprudence. Domain names can, as I have indicated, at first blush,²²⁴ qualify as a 'device', 'name', 'word', or 'sign' in terms of the Trade Marks Act (SA),²²⁵ the Trade Marks Act (UK),²²⁶ the Lanham Act,²²⁷ and the European Trade Mark Directive.²²⁸ Nguyen argues that only domain names that are capable of distinguishing the associated goods or services of one web site owner from the goods or services from other web site owners (put differently, only domain names which function as source identifiers of the goods or services of the web site owner) should be considered for trade-mark protection.²²⁹ Nguyen would accordingly argue, for example, that 'levijean.com' may lead consumers to think that they purchase denim jeans or other fashion accessories from the Levi company, a commercial entity, and that the quality of the goods will be that expected of the renowned Levi company. This domain name may suggest origin, identity, and quality to a consumer, and in this way may function as a trade mark. This argument misses the point: the domain name relates only to the web site, not to the goods or services offered on the web site. There is, therefore, no link between the domain name and the goods or services as such. To use the 'levijean.com' analogy: any goods or services can be sold on the web site linked to the domain name 'levijean.com'.

²²² *The Concise Oxford Dictionary* (1995) (9th ed) 1291; see also Webster and Page op cit note 14 para 3.3.

²²³ See Deveci op cit note 152 at 206.

²²⁴ To qualify as a trade mark, a domain name must comply with all trade-mark requirements, such as the 'used in the course of trade' requirement. The use requirement in trade-mark law is complex and controversial issue in the international domain-name context and will be discussed in more detail in the specific contexts of the UDRP and the domain-name dispute resolution process in the .za domain name space, in chapters 4 and 5 below.

²²⁵ Section 2.

²²⁶ Section 1.

²²⁷ 15 USC § 1127.

²²⁸ Article 2.

²²⁹ Nguyen op cit note 138 at 195.

Nguyen has also argued that only fanciful, suggestive, or arbitrary domain names would be entitled to trade-mark protection under the principles of traditional trade-mark law.²³⁰ So-called descriptive domain names will be entitled to trade-mark protection only if it can be shown that such a domain name has, through extensive use and marketing, gained a secondary meaning, in that consumers are able to associate the particular domain name with a specific source. Considering all the factors at play in the modern international commercial environment, proving such an association may be very difficult. So-called generic domain names, such as *sex.com*²³¹ and *business.com*,²³² will, in terms of traditional trade-mark law, not enjoy trade-mark protection.²³³

Domain names and trade marks are an uncomfortable fit. Fanciful, suggestive, or arbitrary domain names that have acquired distinctiveness in so far as they are capable of distinguishing the associated goods or services from a particular web site owner from those of other web site owners, should logically be protected as trade marks and should consequently be classified as a species of intellectual property, as is the case with trade marks. But does this mean that generic or descriptive domain names that have not acquired distinctiveness in that they are not capable of distinguishing the associated goods or services from a particular web site owner from those of other web site owners cannot be regarded as trade marks and are accordingly by implication also not intellectual property? What about the substantial possible value that is increasingly associated with generic and descriptive domain names, as well as the rights that could be associated with these domain names?²³⁴ The uncomfortable fit becomes clear if domain names are forced into a traditional trade mark classification. In terms of traditional trade-mark law, valuable generic domain names should not be afforded trade-mark law protection, because it cannot be justified from a jurisprudentially sound trade-mark law perspective. This causes a dissonance between valuable generic domain names as valuable intangible assets in the digital economy and the lack of trade mark law protection for such valuable generic domain names.²³⁵

²³⁰ Ibid.

²³¹ See *Kremen v Cohen* supra note 175.

²³² See Branson Christie L 'Was \$7.5 Million Dollars a Good Deal for *business.com*? The Difficulties of Obtaining Trademark Protection and Registration for Generic and Descriptive Domain Names' (2001) 17 *Santa Clara Computer and High Technology LJ* 285.

²³³ Nguyen op cit note 138 at 195.

²³⁴ Idem at 196.

²³⁵ Ibid.

3.5 Domain Names within the Traditional Context of Property

Under the ‘bundle of rights theory’ in terms of which scholars often define property, a domain name could be classified as ‘property’, because a domain-name registrant has the three required rights.²³⁶ In the first instance, the registrant has the exclusive right to control the domain name, in that no other person in the world can register the exact same domain name in the same domain. Secondly, the registrant has the exclusive right to use the domain name. And, thirdly, the registrant has the right to sell or dispose of the domain name. Accordingly, so Nguyen argues, if domain names encompass this bundle of rights they should be classified as property.²³⁷ This argument, although not without merit, is an oversimplification and lacks a proper theoretical investigation. It cannot simply be said that domain names are property because they have an intrinsic value in terms of the above three rights.²³⁸

Classifying domain names as ‘property’ in terms of other traditional property taxonomies is equally problematic. Framing the domain name, with its multiple personalities, neatly into other definitional theories of property like the natural rights approach,²³⁹ the personality approach,²⁴⁰ the instrumental approach,²⁴¹ the discrete asset approach,²⁴² a panoptic approach,²⁴³ and other traditional property taxonomies, is at best selective and often forced. Unfortunately, traditional conceptions of property and ownership do

²³⁶ *Idem* at 191.

²³⁷ *Ibid.*

²³⁸ *Ibid.*

²³⁹ In terms of the natural rights approach, people own their own persons and the fruits of their labours; consequently, everything an individual creates becomes their personal ‘property’ (see Hoffstadt Brian M ‘Dispossession, Intellectual Property and the Sin of Theoretical Homogeneity’ (2007) 80 *South California LR* 909 at 932-933).

²⁴⁰ In terms of the personality approach, property serves an abstract albeit ultimately functional goal – to distinguish one person from another. In order for this goal to be achieved, property must have a certain ‘thingness’, in that it must be separable from individuals themselves (Hoffstadt *op cit* note 239 at 934-935).

²⁴¹ According to the instrumental approach, ‘property’ is viewed solely as a means to an end. It is argued that intellectual property rests on an instrumental foundation by deriving not only its status as ‘property’ but also its contours as a means of achieving public policy from an instrumental foundation (see Hoffstadt *op cit* note 239 at 936-937).

²⁴² According to the discrete asset approach, each item of property is viewed as a discreet asset, in that the owner of each individual piece of property has, subject to certain constraints, ‘dominium’ over that piece of property (see Nash Jonathan Remy ‘Packaging Property: The Effect of Paradigmatic Framing of Property Rights’ (2009) 83 *Tulane LR* 692).

²⁴³ The panoptic approach starts by focusing on the identification of all the relevant parties and applicable societal values at issue in a specific controversy regarding ‘ownership’, in contrast to seeking to identifying one person or entity as the ‘owner’. Building on this foundation the approach continues by endeavouring to balance all of the relevant interests (see Galbraith Christine D ‘A Panoptic Approach to Information Policy: Utilizing a More Balanced Theory of Property in Order to Ensure the Existence of a Prodigious Public Domain’ (2007) 15 *J of Intellectual Property Law* 1 at 7).

not take full account of the inherent complexities associated with determining 'ownership' in a domain name context. Absolute conceptions of property in the conventional understanding of ownership translate into subconscious presumptions in the domain-name context. A conventional, narrow, view of ownership, generally, aims at identifying a single owner of every 'thing'²⁴⁴ capable of being owned.²⁴⁵ In a knowledge resource context, property is sometimes best understood as comprising limited and conflicting entitlements, rather than as the absolute powers of title holders.²⁴⁶

3.6 Domain Names as a New Class of Property: 'Virtual Property'

Simplistically, world history has seen three major property regimes. The first has been around for millennia and is commonly termed immovable and movable property. The second regime has been around for more than a century, and relates to the vesting of proprietary rights in the 'labours of the mind' or 'intellectual property'.²⁴⁷ The third regime is a very recent phenomenon – a conception of property known as 'virtual property'.²⁴⁸

This new class of 'virtual property' is susceptible to a variety of definitions. In a lay sense, 'virtual property' connotes, generally, a representation of a place or object in the context of an electronic ('virtual') environment that, if it existed in the brick-and-mortar world, would be a physical object. However, the legal definition of 'virtual property' is not straightforward or settled.²⁴⁹ Currently, 'virtual property' exists only as a theoretical construct as part of a hypothetical discussion, and is by no means a legal reality. Authors have advanced a number of suggested definitions, most similar in essence but different in detail. For example, the term has been defined as 'any property interest that is both intangible and

²⁴⁴ The word 'thing' is here used in a general sense. The term 'thing' (*res*) has a specific and technical meaning in property law (see Olivier NJJ, Pienaar GJ and Van der Walt AJ *The Law of Property* 2 ed (1992) 4 (a 'thing' is 'a legal object upon which a legal subject can acquire a real right, and therefore the most important category of legal objects for the purposes of the law of property')).

²⁴⁵ Olivier, Pienaar and Van der Walt op cit note 244 at 14.

²⁴⁶ See Singer Joseph William *Entitlement: The Paradoxes of Property* (2000) 189.

²⁴⁷ For a more detailed discussion of the historical development of trade marks, see Diamond op cit note 1; Schechter op cit note 7; Webster and Page op cit note 14 ¶ 1.2.

²⁴⁸ Chik Warren B 'Lord of Your Domain, But Master of None: The Need to Harmonize and Recalibrate the Domain Name Regime of Ownership and Control' (2007) 16 *International J of Law and Information Technology* 8.

²⁴⁹ See Lawrence op cit note 137 at 508.

exclusionary'.²⁵⁰ It has also been defined as 'software code designed to behave like and have the qualities of a physical, real world chattel or piece of realty'.²⁵¹

The fact that 'virtual property' is intangible distinguishes it from more conventional categories of property. A number of subtle differences distinguish 'virtual property' from intellectual property: 'virtual property' is exclusionary and manifests in rivalry, put differently, it cannot be utilised by multiple individuals simultaneously;²⁵² it is interconnected, in that it permits interaction; it is persistent, as it continues to exist independent of one's interaction with it;²⁵³ rights in it can be granted by an organisation or private corporation other than a national government, as there is no real need for government to provide incentives for its creation or protection; it is much easier to obtain, because unlike a trade mark or patent, no thorough, time-consuming, and expensive examination process is required and there is no originality requirement as forms an essential element in securing a copyright.²⁵⁴ As authors have noted, 'virtual property' shares certain characteristics with conventional categories of property, such as rivalrousness, interconnectedness, and persistence.²⁵⁵ However, 'virtual property' do not, and actually cannot, share the rights implicit in the traditional definition of property such as; the right to own it, to enjoy the income from it, to alienate it, and to be able to get it back from someone who has wrongfully taken it from the owner.²⁵⁶ In the legal sense, 'virtual property' has currently not yet translated itself from jurisprudential construct into a legal concept.²⁵⁷

The most valuable form of 'virtual property' is undoubtedly a domain name. The challenge of defining, and then regulating, 'virtual property' becomes clear when one undertakes a legal analysis of domain names. In the first instance the use of domain

²⁵⁰ See Nelmark op cit note 137 at 2.

²⁵¹ See Fairfield AT 'Virtual Property' (2005) 85 *Boston Univ LR* 1047 at 1049.

²⁵² Literary and musical works, as intellectual property, are distinguished from tangible property, such as a motor vehicle that can be driven only by one person, or a piece of fruit that is of no use after it has been consumed. The value of intellectual property is maintained, and in many cases increased, through its use by more than one person (see Nelmark op cit note 137 at 2, n 4). Trade marks and patents are also exclusionary by nature, although to a different extent and in a different context than domain names. Unlike a patent, only one person at a time can use 'virtual property'. For a detailed discussion of the right to exclude in terms of various intellectual property rights, see Hoffstadt op cit note 239 at 950.

²⁵³ Fairfield op cit note 251 at 1049-1050.

²⁵⁴ Nelmark op cit note 137 at 4.

²⁵⁵ Fairfield op cit note 251 at 1053-1054;

²⁵⁶ Lawrence op cit note 137 at 510.

²⁵⁷ Fairfield op cit note 251 at 1053-1054; Lawrence op cit note 137 at 511.

names has become crucially important, and equally controversial, in terms of their monetary potential, and as crucial identifiers in the international social and economic arenas. Secondly, regulating the use of domain names has been attempted at international and national levels, and by private parties, by using existing trade-mark laws, slightly altered trade-mark laws, and entirely new laws drafted specifically to deal with domain names. Thirdly, domain names are governed by international instruments and national legislation, as well as by private contracts between domain-name registrars and registrants. Fourthly, a study of the laws governing the use of domain names reveals substantial uncertainties and shortcomings regarding the involvement of third parties.²⁵⁸

Behind the call for the legal recognition of a new category of property, 'virtual property', is the idea that treating the rights attaching to domain names as a group instead of as individual answers to common problems and expectations can be considered in order to create a general and an internationally uniform governing law for an international legal phenomenon. The individualistic (separate class) approach entails grouping together the intangible interests ('things') of the virtual environment (such as domain names, key words, computer systems, and web sites) and developing a body of property law within which to frame these intangible rights. The benefits of doing so will ensure the efficient use of these emerging resources, and will increase the opportunity to develop uniform and consistent law and precedent, applicable to many types of emerging interest.²⁵⁹ Attempts to govern 'new property' interests in terms of existing laws have resulted in uncertainty as to which conduct is prohibited and which enforcement techniques are appropriate. These uncertainties, in turn, lead to the hasty development of *sui generis* laws drafted better to reflect these new interests or 'property', but which laws often address only a particular legal dilemma, like cybersquatting,²⁶⁰ without considering the broader implications.

²⁵⁸ Nelmark (op cit note 137 at 4) identifies two additional classes of third parties that must be considered in analysing domain name regulations and laws. The first class includes persons or groups who have a legitimate claim to a domain name, but who lack the resources and/or knowledge to register a domain name or inject themselves into a domain name dispute. The second class is comprised of the end users of domain names who rely on the Internet functioning effectively.

²⁵⁹ See Eisenberg Susan 'Intangible Takings' (2007) 60 *Vanderbilt LR* 667 at 696-697.

²⁶⁰ For example, ICANN's Uniform Dispute Resolution Policy or UDRP available at <<http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>> (accessed 12 May 2011), for the resolution of domain name disputes in the all generic top-level domains. For a detailed discussion of the UDRP, see chapter 4 below.

It has been argued that the benefit of thinking about the various electronic assets as a larger new class of property, instead of as a series of isolated technological advances, allows for a clearer anticipation of future challenges and the resolution of common problems.²⁶¹ Also, thinking about the regulation of a class of property makes it easier to see beyond the lobbying efforts of individuals or groups with interests in only a specific proprietary interest.²⁶²

3.7 ***Are Domain Names Property? Concluding Remarks***

'The best way to learn the law applicable to specialized endeavors is to study the general rules. Lots of cases deal with sales of horses; others deal with people kicked by horses; still more deal with the licensing and racing of horses, or with the care veterinarians give to horses, or with prizes at horse shows. Any effort to collect these strands into a course on "The Law of the Horse" is doomed to be shallow and to miss unifying principles Only by putting the law of the horse in the context of broader rules about commercial endeavors could one really understand the *law* about horses.'²⁶³

Classifying different types of 'thing' as one type of 'property' in a broad sense, such as 'virtual property' or 'cyber property', on the basis of one or more shared characteristics (for example, it is electronic by nature) should not raise any major difficulties if the rules and laws proposed in regulating this 'class of property' is limited to, and focused on, specific types of right. The problem is, however, that some courts and authors classify 'virtual property' (and intellectual property, for that matter) in an indiscriminate and overbroad manner, merely as a class of property rights that share important characteristics. In proposing the creation of new laws for new categories of property, or, conversely, the application of conventional legal principles to new categories of 'property', the specific type of 'virtual property' should be narrowly defined. All types of virtual property will not raise the same policy concerns or legal implications. Rights in information technology systems raise concerns regarding, for example, freedom of speech, and freedom of information. Thus, in formulating and classifying these rights, all the relevant competing interests should be considered.²⁶⁴ Implying that 'virtual property' is a new and distinct asset type, to which old, or new, or slightly altered, property or commercial laws should be applied, without narrowing the scope of the

²⁶¹ Nelmark op cit note 137 at 22.

²⁶² Ibid.

²⁶³ See Easterbrook Frank H 'Cyberspace and the Law of the Horse' (1996) *Univ of Chicago Legal Forum* 207 at 207-208.

²⁶⁴ Moringiello op cit note 196 at 142.

rights applicable to, for example, computer code, domain names, or web-site content does not appear appropriate.

What is likewise not appropriate is simply to cast rights in new intangible 'assets', especially domain names, in the 'intellectual property' mould. The intangible nature of new forms of 'property', such as domain names, and the unique legal challenges they represent do not mean that traditional and well-worn legal principles and conventions are obsolete in this context. Nor does it mean that these new forms of 'property' should be forced into a single category or traditional classification. Domain names, with their international character, are an uncomfortable fit with the largely territorial trade-mark laws or any other form of traditional property.

Property is a product of law and operates in terms of well-established legal principles that determine the scope and limitations of the rights associated with property. It is true that the established legal framework currently does not provide a clear and definitive answer to the question of whether domain names are property. Substantial legal reform, characterised by innovation and international co-operation, is necessary before the law will be in a position satisfactorily to deal with the peculiarities resulting from technological advancement, particularly the global information networks such as the Internet. Quick fixes are not the answer. Merely stating that domain names are 'property' because they have value does not solve anything, and certainly does not assist in determining the proper scope of the rights attaching to domain names.²⁶⁵ A reassessment of the conventional apportionment of rights based on the differences in the nature of the interest in question remains critical.²⁶⁶

4 Trade Marks on the Internet

4.1 General Remarks

Saying that technological advancement in the global information age created substantial uncertainty and many headaches for the legal system, especially in the area of

²⁶⁵ For further detailed discussions regarding the classification of domain names as a form of property, see Chander Anupam 'The New, New Property' (2003) 81 *Texas LR* 715; Lipton *op cit* note 193; Nguyen Xuan-Thao N 'Commercial Law Collides with Cyberspace: The Trouble with Perfection – Insecurity Interests in the New Corporate Asset' (2002) 59 *Washington and Lee LR* 37; Yee Kenton K 'Location, Location, Location: A Snapshot of Internet Addresses as Evolving Property' (1997) 1 *J of Information, Law and Technology* 1.

²⁶⁶ Chik *op cit* note 248 at 4.

intellectual property law, is stating the obvious. Before the digital revolution and the advent of the Internet, intellectual property law, though by no means a perfect example of uniform international law, was relatively well harmonised and reasonably effective.²⁶⁷ International co-operation in the form of negotiated international treaties regulating copyright,²⁶⁸ industrial property,²⁶⁹ and related rights²⁷⁰ created an effective international intellectual property regime. However, new technologies, particularly the Internet, have posed a number of unique challenges not only for national intellectual property laws but also for the international intellectual property regulation.

Many traditional, entrenched principles of intellectual property law have come under enormous strain because of the difficulties of applying these principles to new technologies on a global scale, to the extent that these principles have started to disintegrate. National legal systems have dealt with many of these challenges differently, which leads, of course, to disharmony and discord at international level.²⁷¹ One area of particular international discord and uncertainty is the strain between the essentially territorial trade-mark system and the international domain-name system.

On 10 July 2000, a press release from the World Intellectual Property Organization entitled 'WIPO to Probe New Issues Relating to Domain Name Abuse' stated:²⁷²

'The possibility of conflict between domain names and trademarks arises from the lack of connection between the system for registering trademarks, on the one hand, and the system for registering domain names, on the other hand. The former system (trademarks) is administered by a public (governmental) authority on a territorial (either national or regional) basis which gives rise to rights on the part of the trademark holder that may be exercised within the territory. The latter system (domain names) is usually administered by a non-governmental organization without any functional limitation and on a first come, first served basis. Domain names offer a global presence on the Internet.'

The head-on collision between the effective protection of trade-mark rights within an

²⁶⁷ See Lipton op cit note 194 at 18.

²⁶⁸ Berne Convention for the Protection of Literary and Artistic Works (1886); WIPO Copyright Treaty (1996).

²⁶⁹ Paris Convention.

²⁷⁰ International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961); WIPO Performers and Phonograms Treaty (1996).

²⁷¹ See Lipton op cit note 194 at 18-20.

²⁷² Press Release, World Intellectual Property Organization, 'WIPO to Probe New Issues Relating to Domain Name Abuse' (10 July 2000) available at <http://www.wipo.int/pressroom/en/prdocs/2000/wipo_pr_2000_235.html> (accessed 15 April 2011). See also Batavia op cit note 135 at 464; Falzone Leah Phillips 'Playing the Hollywood Name Game in CyberCourt: The Battle Over Domain Names in the Age of Celebrity-Squatting' (2001) 21 *Loyola Entertainment LR* at 289.

international coherent intellectual property law system and the efficient functioning of the domain-name system is an unintended side effect of the exponential and unforeseen growth of the Internet. The Internet was never designed to deal with trademark issues. Domain names were simply an easy and convenient way of enabling users to remember the 'Internet address' of another user – they are a direct result of the technical requirement that one computer uses a numerical address to communicate with another computer on the Internet.²⁷³ But, like Topsy, the Internet just kept on growing, evolving into a wide-spread global communication and information resource, used by millions every day, and generating vast revenues. The crucial role of domain names in the international commercial and social contexts was not foreseen by the architects of the Internet, nor was the consequent significance of domain names in a trade-mark context. At the same time, the trade-mark system was never designed to cope with and accommodate the peculiarities and technical realities of the Internet. Trade marks were essentially developed to enable their proprietors to identify and distinguish their goods and services in the marketplace; the birth of the domain name system, by contrast, was totally unrelated to business needs. Trade marks and domain names accordingly are 'uncomfortable bedfellows'.²⁷⁴

The problematic characteristics of domain-name registrations that cause the collision between trade marks and domain names are the following: (a) The approach employed by domain name registries in allocating a specific domain name to a registrant is simply that domain names are sold and registered on a 'first come, first served' basis. (b) It is not possible for two entities to have exactly the same domain name in any given top level domain. There can therefore only be one owner of the domain name 'sony.com'. It is, however, possible that the same name can be registered by a number of entities in other generic top level domains (gTLDs) or in any of the country code top level domains (ccTLDs). Thus, in theory, one entity could own the domain name 'sony.com' while another could own 'sony.biz', yet another 'sony.tv', and any potential number of entities the domain names for the number of potential country code top level domains, for example, 'sony.co.za' in the South African domain, 'sony.au' for the Australian

²⁷³ For a more technical discussion of how the domain-name system operates, see chapter 2 section 1.1 above.

²⁷⁴ See Poynder Richard (ed) *Caught in Web: Intellectual Property in Cyberspace* (2001) 65-67.

domain, and 'sony.mx' for the Mexican domain.²⁷⁵ (c) It is possible and allowed to register any number of similar, possibly confusing and non-distinctive, variations of a name. This is possible because a computer can map the alpha-numeric string of a particular domain name to a domain name's underlying string of IP numbers and detect a fast difference between, for example, the domain names 'trademarks.com', 'trade-marks.com', and 'trademarx.com'.²⁷⁶ (d) There is rarely an objection system in place.²⁷⁷ (e) More or less any alpha-numeric string can be registered as a domain name, including generic words.²⁷⁸ (f) Domain names do not have any product or service limitations attached to them. (g) Geographic limitations do not feature in the case of domain names. A domain name registration in any of the generic top level domains or country code top level domains is valid throughout the world.²⁷⁹ (h) A domain name registration only has limited, highly speculative legal effect. A domain name owner cannot preclude others from using the same name nor does a domain name registration in itself vest the owner thereof with a defense for actions of trade-mark infringement or passing off.²⁸⁰ (i) The ICANN-authorized introduction of Internationalized Domain Names (IDNs), where non-English letters or characters are translated into, for example, a Chinese domain name, is likely to raise further issues in future.²⁸¹

It is clear that domain names test a number of the major conceptual boundaries of trade-mark law. In particular, the interaction of trade-mark proprietorship and the ownership of domain names are problematic. The scope of trade-mark rights is defined with reference to the specified goods or services for which the mark is used, or the class of goods or services in which the mark is registered. Trade marks identify the goods or services of one proprietor and distinguish them from the goods or services of another.²⁸² The scope of trade-mark rights, therefore, permits the use of the same word or term (thus, an identical trade mark) by several trade-mark proprietors, provided that

²⁷⁵ See Olsen, Maniatis, Wood and Wilson op cit note 135 at Introduction/11.

²⁷⁶ Ibid.

²⁷⁷ Ibid.

²⁷⁸ See Muhlberg Hans *The Law of the Brand: A Practical Guide to Branding Law in South Africa* (2005) 102.

²⁷⁹ Ibid.

²⁸⁰ Ibid. For a further discussion on some of the differences between domain names and trade marks, see Marx Frans 'Domain Name Protection in South Africa' (2004) 25 *Obiter* 114 at 116.

²⁸¹ See Olsen, Maniatis, Wood and Wilson op cit note 135 at Introduction/11. For a comprehensive discussion of the Internationalized Domain Name System, see Xue Hong op cit note 59.

²⁸² See the discussion of the functions of a trade mark at section 1.2 above.

the marks are registered and/or used for different goods or services.²⁸³ For example, the trade mark HIPPO on golf apparel and equipment identifies for consumers the source of the shirt or golf club manufactured by Hippo and distinguishes it from similar products manufactured by Tailor Made. But 'Hippo' is also used in South Africa by a well-known insurance broker. Both these companies can use the same trade mark, as the mark is used for different goods or services. Domain names, unlike trade marks, are unique. A particular domain name cannot be used by more than one company. Here lies the problem: of all the companies that may own identical trade marks, under the current Internet architecture, it is possible for only one of them to own the corresponding domain name in a specific top-level domain, irrespective of how distinct their products or markets may be.²⁸⁴ There can be only one 'hippo.com', or one 'hippo.co.za'.²⁸⁵

As I have shown earlier, intellectual-property rights, including trade-mark rights, have traditionally been territorial in nature, and so confined to a particular national jurisdiction.²⁸⁶ Trade-mark rights in one country are, in principle, independent of trade-mark rights in another country. A trade-mark registration confers on its proprietor the exclusive right to use that mark in relation to the goods or services for which it was registered in the country of registration only. An identical trade mark can thus be owned by different proprietors, provided the trade mark is used and registered in different countries.²⁸⁷ A trade-mark registration in South Africa confers and secures rights in South Africa, but a different proprietor may own the rights in the same mark for the same goods or services in, say, the Netherlands.²⁸⁸

Efforts have been made to alleviate the problems associated with the territoriality of trade marks through international treaties to facilitate multi-national registration,²⁸⁹ the

²⁸³ See Dinwoodie Graeme B *The Rational Limits of Trade Mark Law US Intellectual Property: Law and Policy* (2005) 75.

²⁸⁴ See Rutherford op cit note 63 at 175.

²⁸⁵ See Dinwoodie op cit note 283 at 75 n 94. He states that the fact that there can, for example, be only one united.com may generate other long-term problems, in that this practice simply avoids the issue of who the appropriate owner of the united.com domain-name registration is. He further argues that the maintenance of appropriate competition principles may require the infusion of some trade-mark principles into domain-name registration practices. He warns, however, against practices such as full-scale trade-mark like searches and certain trade-mark notions such as the ownership of words, which may involve substantial downsides. According to Dinwoodie, only some well-reasoned notions of trade mark law may be helpful.

²⁸⁶ See the discussion of the territoriality of trade marks above at section 2 above.

²⁸⁷ See Rutherford op cit note 63 at 175.

²⁸⁸ See Dinwoodie op cit note 283 at 504.

²⁸⁹ See art 4 of the Paris Convention; art 1 of the Madrid Agreement.

international protection of well-known marks,²⁹⁰ making it possible for foreign nationals to register trade marks on the same footing as citizens of a particular country,²⁹¹ and ensuring that certain minimum benchmarks are met and implemented by national legislatures.²⁹² These international treaties, affirm, however, the basic notion of the territoriality of trade marks; actually, this principle forms their foundation.²⁹³ By contrast, the Internet is transnational in nature.²⁹⁴

The international domain-name system brings the territorial nature of the trade-mark system to the fore. Efforts to deal with this inherent tension have to some extent resulted in the expansion of the territorial reach of trade-mark law. One could even say that the application of trade-mark law to domain names has resulted in the gradual evolution of trade-mark law from its territorial origins to a stage where it increasingly operates extra-territorially.²⁹⁵

The obvious dangers and serious consequences associated with this evolution of trade-mark law can be gleaned from the WIPO Final Report.²⁹⁶ This is evidenced by the five principles that guided the formulation of the recommendations in the WIPO process as contained in the Final Report. In the first instance, WIPO recognised that intellectual property cannot, in view of the global nature of the Internet and the diverse range of purposes for which it is used, be considered in isolation.²⁹⁷ Secondly, WIPO recognised that new intellectual property rights should not be created, nor should intellectual property rights be afforded greater protection in cyberspace than that which exists elsewhere. The goal should rather be to give expression to the existing, multilaterally agreed standards of intellectual-property protection in the context of the Internet and the domain-name system.²⁹⁸ Thirdly, the adequate protection of intellectual property rights should not adversely affect the enjoyment of other rights.²⁹⁹ Fourthly, the functioning of the Internet should not be interfered with in the context of the importance

²⁹⁰ Article 6bis of the Paris Convention; art 16 of the TRIPS Agreement.

²⁹¹ Article 2 of the Paris Convention.

²⁹² See Dinwoodie op cit note 37 at 505.

²⁹³ Ibid.

²⁹⁴ Rutherford op cit note 63 at 175.

²⁹⁵ Zekos op cit note 128 at 508.

²⁹⁶ Final Report op cit note 103.

²⁹⁷ Idem ¶ [33].

²⁹⁸ Idem ¶ [34].

²⁹⁹ Idem ¶ [35].

of the Internet and its capacity to serve the interests of its users.³⁰⁰ Fifthly, WIPO recognised the dynamic nature of the technologies that underpin the Internet, as well as the fact that the future technological development of the Internet should not be affected.³⁰¹ Although well intentioned, staying true to these principles have proved to be difficult in the context of the trade mark/domain name ‘war’.

4.2 The WIPO Joint Recommendation

As a result of the legal issues raised by the inherent strain between traditional intellectual-property principles and the unrestricted application of these principles to the use of trade marks or ‘signs’ on the Internet, a Joint Recommendation Concerning the Protection of Marks and Other Industrial Property Rights in Signs on the Internet was adopted by the General Assembly of WIPO and the Paris Union for the Protection of Intellectual Property in 2001.³⁰² The Joint Recommendation provides guidelines for the application of existing trade-mark and industrial-property laws to legal problems resulting from the use of a sign on the Internet.³⁰³ The provisions of the Joint Recommendation are merely ‘soft law’³⁰⁴ – the recommendations are influential as persuasive authority, in that existing laws of the Member States should be adapted, or new laws adopted, to modify national laws to reflect the provisions of the Joint Recommendation. The Joint Recommendation does not have the legally binding effect of a treaty.³⁰⁵

Essentially, the Joint Recommendation reflects the idea that the intellectual property issues raised by the borderless nature of the Internet should be viewed from a more traditional perspective, as it pertains to substantive law. Put differently, online intellectual property issues should be treated similarly to the offline issues, in order not to create parallel streams of legal principles to apply to the online and offline uses of marks or signs.³⁰⁶ The point of departure is, accordingly, the application of the principle

³⁰⁰ *Idem* ¶ [36].

³⁰¹ *Idem* ¶ [37]. For a more detailed discussion of the WIPO Final Report, see Visser Coenraad ‘Recent International Developments Regarding the Protection of Domain Names’ (1999) 11 *SA Merc LJ* 485 at 494.

³⁰² The Joint Recommendation was developed by representatives of 83 WIPO and/or Paris Union members, seventeen non-governmental organisations, and six international organisations.

³⁰³ Preamble.

³⁰⁴ ‘Soft law’ is a term used for international instruments which in itself do not create law, but still have variable regulatory force. See Xue *op cit* note 59 n45.

³⁰⁵ Bettinger *op cit* note 75 at 1169.

³⁰⁶ Xue *op cit* note 59 at 11.

of territoriality to the technically borderless Internet.³⁰⁷ Provisions regarding jurisdiction and conflict of laws were for this reason deliberately excluded from the Joint Recommendation.³⁰⁸ The provisions of the Joint Recommendation do not aim to create new intellectual-property law, but rather to render the existing collection of intellectual-property laws 'Internet-compatible'.³⁰⁹ The Joint Recommendation also extends to all intellectual-property rights in signs, including domain names.³¹⁰

In terms of the Joint Recommendation, not each and every use of a sign on the Internet should be treated as taking place in the Member State concerned, even though the use might be accessible to Internet users in that state. Instead, only use that has a 'commercial effect' in that Member State can be treated as having taken place in that state and is thus subject to the applicable law of that state.³¹¹ The problem of territoriality, as it applies to co-existing rights, is regulated in a differentiated manner by means of a notice and avoidance of conflict procedure,³¹² and a co-existence model.³¹³

4.2.1 'Commercial effect' in Terms of the Joint Recommendation

In accordance with the Joint Recommendation, the competent authority in a Member State, in determining whether use of a sign on the Internet has a commercial effect in that state, must take into account all the relevant circumstances. The Joint Recommendation contains a non-exhaustive list of circumstances that may be relevant in determining the commercial effect of the use of a sign:³¹⁴ (a) circumstances indicating that the user of a sign is doing, or has undertaken significant plans to do, business in the Member State in relation to goods or services that are identical or similar to those for which the sign is used on the Internet;³¹⁵ (b) the level and character of commercial activity of the user in relation to the Member State, including:³¹⁶ (i) whether the user is actually serving customers located in the member or has entered into other

³⁰⁷ Ibid.

³⁰⁸ Bettinger op cit note 75 at 1169.

³⁰⁹ Preamble of the Joint Recommendation.

³¹⁰ Bettinger op cit note 75 at 1170.

³¹¹ Article 2 of the Joint Recommendation; see also Xue op cit note 59 at 11.

³¹² Article 9.

³¹³ Article 10. For a discussion of the co-existence model, see Bettinger op cit note 75 at 1170.

³¹⁴ Article 3(1).

³¹⁵ Article 3(1)(a).

³¹⁶ Article 3(1)(b).

commercially motivated relationships with persons located in the Member State;³¹⁷ (ii) whether the user has stated, in conjunction with the use of the sign on the Internet, that he does not intend to deliver the goods or services offered to customers located in the Member State and whether he adheres to his stated intent;³¹⁸ (iii) whether the user offers post-sales activities in the Member State, such as warranty or service;³¹⁹ (iv) and whether the user undertakes further commercial activities in the Member State which are related to the use of the sign on the Internet but which are not carried out over the Internet;³²⁰ (c) the connection of an offer of goods or services on the Internet with the Member State, including:³²¹ (i) whether the goods or services offered can be lawfully delivered in the Member State;³²² and (ii) whether the prices are indicated in the official currency of the Member State;³²³ (d) the connection of the manner of use of the sign on the Internet with the Member State, including:³²⁴ (i) whether the sign is used in conjunction with means of interactive contact which are accessible to Internet users in the Member State;³²⁵ (ii) whether the user has indicated, in conjunction with the use of the sign, an address, telephone number, or other means of contact in the Member State;³²⁶ (iii) whether the sign is used in connection with a domain name which is registered under the ISO Standard country code 3166 Top Level Domain referring to the Member State;³²⁷ (ii) whether the text used in conjunction with the use of the sign is in a language predominantly used in the Member State;³²⁸ and (iii) whether the sign is used in conjunction with an Internet location which has actually been visited by Internet users located in the Member State;³²⁹ (e) the relation of the use of the sign on the Internet with a right in that sign in the Member State, including:³³⁰ (i) whether the use is supported by that right;³³¹ and (ii) whether, where the right belongs to another, the use

³¹⁷ Article 3(1)(b)(i).

³¹⁸ Article 3(1)(b)(ii).

³¹⁹ Article 3(1)(b)(iii).

³²⁰ Article 3(1)(b)(iv).

³²¹ Article 3(1)(c).

³²² Article 3(1)(c)(i).

³²³ Article 3(1)(c)(ii).

³²⁴ Article 3(1)(d).

³²⁵ Article 3(1)(d)(i).

³²⁶ Article 3(1)(d)(ii).

³²⁷ Article 3(1)(d)(iii).

³²⁸ Article 3(1)(d)(iv).

³²⁹ Article 3(1)(d)(v).

³³⁰ Article 3(1)(e).

³³¹ Article 3(1)(e)(i).

would take unfair advantage of, or unjustly impair, the distinctive character or the reputation of the sign that is the subject of that right.³³²

Article 3(2) of the Joint Recommendation clearly states that these factors are merely guidelines to assist the competent authority in a Member State to determine whether the use of a sign has produced a commercial effect in that Member State. These factors should thus not be seen as preconditions for reaching a determination, and thus do not necessarily need to be satisfied in order to reach a decision that the use of a sign has produced a commercial effect.

Article 3(1)(e) of the Joint Recommendation, read with article 4, points to the conclusion that cases of use in bad faith would lead to the assumption that the use of a sign has produced a commercial effect. The most obvious example of such bad faith or unauthorised use would be cybersquatting, but may include any situation where the user of a sign or mark is taking unfair advantage of, or unjustifiably impairs, the distinctive character or the reputation of a sign or mark, or uses a sign or mark with the intent to abuse or confuse.³³³

4.2.2 Evaluation of the WIPO Joint Recommendation

The Joint Recommendation clearly has both practical and theoretical value as a guide for the application of existing intellectual property law to legal problems which pertain to the use of a sign or mark on the Internet.³³⁴ Essentially, the Joint Recommendation entrenches the principle that intellectual-property rights, especially trade-mark rights, are still inherently territorial in character, even in the context of the borderless Internet. The principle of territoriality remains, as in other international intellectual property instruments, the founding principle.³³⁵ The Joint Recommendation should accordingly not lead to a major distinction as to how trade-mark law views the offline and online use of a particular sign or mark, but rather point the way to subtle adjustments of the entrenched principles of intellectual property laws as it pertains to the use of signs or marks in an international context.³³⁶

³³² Article 3(1)(e)(ii).

³³³ Bettinger op cit note 75 at 1171.

³³⁴ Ibid.

³³⁵ Xue op cit note 59 at 12.

³³⁶ Bettinger op cit note 75 at 1175.

Implementation of the Joint Recommendation by national legislatures and the application of the Joint Recommendation by the judiciary have, unfortunately, been negligible.³³⁷ Although it is not clear whether the substantive implementation of the Joint Recommendation in Member States should be left to the legislature or the judiciary, the reality is that no serious analysis of the Joint Recommendation has taken place by either the legislature or the judiciary in any Member State.³³⁸ The question whether some sort of modification to existing intellectual property law is needed to deal with the infringement of intellectual-property rights in marks and signs on the Internet by means of restrictive criteria meets with a variety of answers. Whether there is a need to restrict international jurisdiction is similarly shrouded in uncertainty.³³⁹ Reaching broad-based consensus on these issues, let alone modifying substantive trade-mark law, seems presently far from reality.

5 Concluding Remarks Regarding the Interplay Between Trade Marks and Domain Names

The emergence of modern technology, particularly the Internet, during the twentieth century spawned an uncomfortable number of novel issues involving the scope and application of trade-mark rights in cyberspace that had an unsettling, even profound impact on trade-mark law.³⁴⁰ In direct juxtaposition to the traditional territorial approach consistently adopted throughout the Joint Recommendation stands the 'universalist approach' to the protection of trade marks in the context of the Internet, which seems to have gained substantially in popularity, especially through the exponential growth and widespread use of domain-name dispute-resolution systems, especially the UDRP.³⁴¹ Most of these systems, particularly the UDRP, exhibit an obvious departure from the traditional principle of territoriality. This departure, particularly in the context of the resolution of domain-name disputes, lies at the heart of many of the questions and concerns currently present in international trade-mark discussions. A critical evaluation of some of these questions and concerns will follow below in this thesis.

³³⁷ Ibid.

³³⁸ Idem.

³³⁹ Idem.

³⁴⁰ See Yan op cit note 15 at 778-779.

³⁴¹ Xue op cit note 59 at 13.

CHAPTER 4
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CHAPTER 4

THE UNIFORM DISPUTE RESOLUTION POLICY (UDRP)

1 Introduction to the Uniform Dispute Resolution Policy

The Uniform Dispute Resolution Policy ('UDRP')¹ provides, through a purely administrative procedure, a mechanism designed for the resolution of domain name disputes between domain name owners and trade mark proprietors who claim that a particular domain name infringes the rights of the trade mark proprietor in his or her trade mark. Implemented by the Internet Corporation for Assigned Names and Numbers (ICANN),² on 24 October 1999,³ after its adoption on 24 August of the same year,⁴ the UDRP aims to establish a cost effective and time efficient platform for the international and uniform adjudication of domain-name disputes as an alternative to jurisdictionally troublesome, expensive, and lengthy court litigation.⁵

In this chapter I shall discuss the main features of the UDRP, how the UDRP operates, as well as the main role players responsible for the functioning and implementation of the UDRP. I shall also briefly discuss the uniform application and mandatory nature of the UDRP, the scope of the procedure, and the remedies available to complainants in terms of the UDRP. An introduction to the UDRP dispute resolution service providers will set the stage for a detailed examination of the substantive elements of the UDRP. The major goal of the chapter is critically to assess the legal principles applied in resolving domain name disputes in terms of the UDRP, and how these principles differ from the objectives and legal principles applied in traditional trade-mark law.

1.1 *Uniform Application and Mandatory Nature of the Procedure in Terms of the UDRP*

Domain-name dispute resolution in terms of the UDRP provides an effective way of resolving international cybersquatting⁶ disputes and of affording successful complainants

¹ See 'Uniform Dispute Resolution Policy', at <<http://www.icann.org/dndr/udrp/policy.htm>> (accessed 19 Desember 2010).

² See the discussion of ICANN in chapter 2 section 1.3 above.

³ See 'Timeline for the Formulation and Implementation of the Uniform Domain Name Dispute Resolution Policy' on ICANN's website, at <<http://www.icann.org/udrp/udrp-schedule.htm>> (accessed 14 Desember 2010).

⁴ Ibid.

⁵ See 'The Management of Internet Names and Addresses – Final Report of the WIPO Internet Domain Name Process', WIPO publication no 439 (30 April 1999) available at <<http://www.wipo.int/amc/en/processes/process1/report/index.htm>> ('WIPO Final Report') (accessed 14 Desember 2010). For a detailed discussion of the WIPO Final Report, see chapter 2 section 1.4.3 above.

⁶ The WIPO Final Report states that, in layperson's language, 'cybersquatting' is 'the term most frequently used to describe the deliberate, bad faith abusive registration of a domain name in violation of rights in

an effective remedy. Two crucially important structural features account for this effectiveness: (a) the procedure is 'a mandatory administrative procedure',⁷ and (b) the remedies available in terms of the UDRP are executed automatically.⁸ The effectiveness is achieved by virtue of the fact that ICANN controls the 'root zone' file on the 'A root' server, which contains all the top-level domains. So the UDRP derives its application directly from ICANN's authority and control over the domain name system ('DNS'). ICANN consequently has the authority to determine the requirements to be met by domain-name registrars as preconditions of ICANN's registry accreditation.⁹ One of these preconditions is that ICANN requires of all generic top-level domain-name ('gTLD') registrars to incorporate the UDRP as the mandatory domain-name dispute resolution mechanism. The UDRP has accordingly been adopted by ICANN-accredited registrars in all gTLDs.¹⁰ In this way, the implementation of the recommendation in the WIPO Final Report to 'make available a uniform administrative dispute resolution procedure to be adopted for all open gTLDs' was achieved.¹¹ The WIPO Final Report made clear that the word 'uniform' as used in the sense of the UDRP should be interpreted to connote:

- (i) The procedure should be available in all open gTLDs ... At least in the open gTLDs, the non-availability of the procedure in any gTLD would lead to uneven protection for intellectual property rights and could cause any gTLD in which the procedure was not available to become a haven for predatory practices in respect of intellectual property rights.
- (ii) The scope of the procedure and the procedural rules pursuant to which it is conducted should be the same in all open gTLDs. Again, differences in the scope of the procedure in the open gTLDs could lead to uneven protection for intellectual property rights.¹²

Clause 38 of the revised Registrar Accreditation Agreement, as approved by ICANN in May 2001, states:

trademarks or service marks' (¶ 170). See also Marx Frans 'Domain Name Protection in South Africa' (2004) 25 *Obiter* 114 at 117, who explains that 'cybersquatting' as a term 'often used to denote situations where unscrupulous persons register domain names similar to trade marks or business names, with the intention of selling them at a later stage at an exorbitant price to interested parties such as trade mark owners'.

⁷ UDRP para 4.

⁸ See Hurter Eddie 'Acting Against Cybersquatters' (2001) 9 *Juta's Business Law* 174.

⁹ For a detailed discussion of the evolution of ICANN's control over the 'root zone' and registrar accreditation and control, see Lindsay David *International Domain Name Law: ICANN and the UDRP* (2007) ¶¶ [2.12] and [2.28].

¹⁰ Currently, these are the gTLDs: .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel, and .travel: see <<http://www.icann.org/en/udrp>> (accessed 10 December 2010).

¹¹ WIPO Final Report ¶ [157].

¹² *Idem* ¶ [155].

‘During the term of this Agreement, the Registrar shall have in place a policy and procedures for the resolution of disputes concerning Registered Names. Until different policies and procedures are established by ICANN under Section 4, the Registrar shall comply with the Uniform Domain Name Dispute Resolution Policy identified on ICANN’s website (www.icann.org/general/consensus-policies.htm).’

ICANN consequently specifies that when registrars and registrants in the relevant domain-name spaces come to form their agreements, these agreements should include as a mandatory term that the parties submit to the UDRP. It is, therefore, not possible for a would-be registrant to shop around for a domain name registrar that offers a domain-name registration agreement which does not incorporate the UDRP. Accordingly, all gTLD registrants, through their domain-name registration agreements with their domain-name registrars, have no choice but to agree to submit to the UDRP procedure should a dispute over a registered domain name arise. The UDRP is clear:

‘This Uniform Dispute Resolution Policy (the “Policy”) has been adopted by the Internet Corporation for Assigned Names and Numbers (“ICANN”), is incorporated by reference into your Registration Agreement, and sets forth the terms and conditions in connection with a dispute between you and any party other than us (the registrar) over the registration and use of a domain name registered by you.’¹³

A dispute resolution clause in a domain-name registration agreement between an ICANN-accredited registrar and a domain-name registrant may read as follows:

‘The Registrant agrees to be bound by ICANN’s Uniform Dispute Resolution Policy (“UDRP”). Any disputes regarding the right to use your Domain Name will be subject to the UDRP. We may modify the Dispute Policy in our sole discretion at any time in accordance with the ICANN Agreement or any ICANN/Registry Policy. Your continued use of our registration services after modification to the UDRP becomes effective constitutes your acceptance of those modifications. If you do not agree to such modification, you may request that your SLD name be cancelled or transferred to another registrar.’¹⁴

By virtue of this clause, all registrants become contractually bound to submit to the UDRP in the event of a dispute concerning their domain name.

1.2 Remedies in Terms of the UDRP

As I stated above, the second important structural feature that provides for the effectiveness of the UDRP is the automatic execution of an effective remedy for successful rights holders or trade-mark proprietors. This is achieved by virtue of the fact that ICANN

¹³ UDRP para 1.

¹⁴ See Bettinger Torsten *Domain Name Law and Practice: An International Handbook* (2005) 947.

has authoritative control over the DNS and requires all its accredited Registrars to implement the decisions of all panels adjudicating in terms of the UDRP. The direct enforcement of a panel decision under the UDRP is accordingly achieved in that the relevant registrar is compelled to implement the panel decision by making changes to the TLD domain name registry under its control. The principle of having decisions enforced directly by making changes to the DNS was universally supported by commentators on the WIPO Internet Domain name Process. The WIPO Final Report states:

‘Commentators in favor of an administrative policy for the resolution of domain name disputes universally supported the need for determinations of the dispute resolution procedure to be directly enforced. The possibility of such direct enforcement exists through the registration authorities, and indeed, constitutes one of the main reasons why an administrative procedure could be made workable and efficient in respect of domain name disputes.’¹⁵

The general desire to design a simple, efficient, and cost-effective procedure, as well as the mandatory nature of the procedure, necessitated that the remedies available in terms of the UDRP be limited.¹⁶ Given the limited objectives, the limited application, and the mandatory nature of the UDRP, the WIPO Final Report states that, for these reasons,

‘it seems appropriate that the remedies that could be awarded by the neutral decision-maker be limited to the status of the domain name registration itself and actions in respect of that registration. In other words, monetary damages to compensate for any loss or injury incurred by the owner of an intellectual property as a result of a domain name registration should not be available under the procedure. Such a restrictive approach to remedies would underline the nature of the procedure as an administrative one, directed at the efficient administration of the DNS, which is intended to be complementary to other existing mechanisms, whether arbitration or court procedures. This approach would also accommodate the preferences of a number of commentators for an [Alternative Dispute Resolution] ADR procedure that was compatible with available judicial remedies.’¹⁷

Actually, an approach in which the remedies were limited to the status of a domain-name registration would entail that the remedies under the procedure be limited to (a) the cancellation of the domain-name registration, and (b) the transfer of the domain-name registration to the third party complainant.¹⁸

The UDRP accordingly states:¹⁹

¹⁵ WIPO Final Report ¶ [215].

¹⁶ *Idem* ¶ [182].

¹⁷ *Idem* ¶ [183].

¹⁸ *Idem* ¶ [184].

¹⁹ UDRP para 3.

‘We will cancel, transfer or otherwise make changes to domain name registration under the following circumstances:

... our receipt of a decision of an Administrative Panel requiring such action in any administrative proceeding to which you were a party and which was conducted under this Policy or a later version of this Policy adopted by ICANN...’.

Paragraph 4(i) of the UDRP, in turn, states:

‘The remedies available to a complainant pursuant to any proceeding before an Administrative Panel shall be limited to requiring the cancellation of your domain name or the transfer of your domain name registration to the complainant.’

The key remedies are accordingly implemented without the need to resort to national courts or other jurisdiction-specific bodies, with their associated deficiencies. The simplified execution of the decisions of the panels adjudicating domain-name disputes in terms of the UDRP provides, as regards the implementation of decisions, an obvious and decisive advantage over national courts and other jurisdiction-specific bodies.

Panel decisions in terms of the UDRP will usually grant effect to the remedy requested by a successful complainant. In most instances, such remedy involves the transfer of the disputed domain name. Cancellation of the disputed domain name is, however, in certain limited circumstances considered to be a more appropriate remedy, particularly where the disputed domain name consists of two trade marks that are owned by two (or more) trade-mark proprietors, and a successful complaint was lodged by one of them. Panels are, in the absence of a letter of support, or some other form of authorisation, from a third-party trade-mark proprietor, inclined to cancel the disputed domain name instead of transferring it, in order to avoid violating the rights of the third-party trade-mark proprietor.²⁰ An example of such a UDRP case in which cancellation was thought to be the more appropriate remedy is *DR Ing hc Porche AG v Automotive Parts Solutions*.²¹ There, the disputed domain name ‘911hyundai.com’, consisted of the ‘911’ trade mark of Porsche and the HYUNDAI trade mark of the third-party trade-mark proprietor.

²⁰ See Lindsay op cit note 9 ¶ [3.14].

²¹ WIPO Case No D2003-0725. The WIPO Panel decisions may be accessed at <<http://www.wipo.int/amc/en/domains/search/>> (accessed 16 November 2010).

1.3 The Scope of the Mandatory Administrative Procedure in Terms of the UDRP

The UDRP, simply, prohibits only one type of conduct for which the UDRP administrative procedure can be used – the deliberate, bad faith, and abusive registration of domain names (or, ‘cybersquatting’) with reference only to trade marks and service marks.²² Where a registered domain name is the subject of a legitimate dispute, or where other intellectual property rights (such as trade names, geographical indications, or personality rights) are violated by a domain-name registration, the UDRP administrative procedure is not available.

Limiting the scope of application of the UDRP, at least initially, to cybersquatting only was deliberate, mainly for the following reasons: (a) to deal first with the most offensive form of predatory practices and to establish the procedure on a sound footing;²³ (b) the violation of trade marks was the most common form of abuse, and the law relating to trade names, geographical indications, and personality rights is less evenly harmonised throughout the world;²⁴ (c) it was considered premature to extend the notion of abusive registration beyond the violation of trade marks – extending the notion of abusive registration to other intellectual property rights can be revisited only after experience has been gained in the operation of the administrative procedure, and time has allowed for its efficiency to be assessed, and for any problems that may arise to be addressed;²⁵ and (d) the fact that the UDRP’s administrative procedure does not extend to cases where a registered domain name is subject to a legitimate dispute is not regarded as a flaw but as a feature of the UDRP, which is in line with establishing a streamlined and inexpensive administrative dispute resolution procedure.²⁶

The UDRP adopted the definition of abusive registration (‘cybersquatting’) to be applied in the mandatory administrative procedure as was recommended in the WIPO Final Report.²⁷ It states in paragraph 4(a) that the Policy offers recourse to a trade-mark

²² For ease of reference, in the rest of this chapter the term ‘trade mark’ shall include ‘service mark’.

²³ WIPO Final Report ¶ [165].

²⁴ *Idem* ¶ [167].

²⁵ *Idem* ¶ [168].

²⁶ ICANN Second Staff Report on the Implementation Documents for the Uniform Dispute Resolution Policy, 24 October 1999, available at <<http://icann.org/udrp/udrp-second-staff-report-24oct99.htm>> ¶ 4.1(c) (accessed 5 December 2010).

²⁷ WIPO Final Report ¶ [171].

proprietor when such a proprietor can demonstrate that the registration of a domain name is abusive, in that all three of the following conditions are met: (a) the domain name is identical or confusingly similar to a trade mark in which the complainant has rights; (b) the domain name holder has no rights or legitimate interests in respect of the domain name; and (c) the domain name has been registered and is used in bad faith.²⁸

To facilitate the implementation of the recommendations of the WIPO Final Report,²⁹ the UDRP states a number of circumstances that would be deemed to be evidence of registration and use in bad faith. Paragraph 4(b) of the UDRP lists the following circumstances, which, if present, constitute evidence of the registration and use of a domain name in bad faith: circumstances indicating that (a) a domain name was registered or acquired by the registrant primarily for the purpose of selling, renting, or otherwise transferring the domain-name registration to a complainant who is the trade-mark proprietor, or to a competitor of that complainant, for valuable consideration in excess of the registrant's documented out-of-pocket costs directly related to the domain name; (b) the domain name was registered by the registrant in order to prevent the trade-mark proprietor from reflecting the mark in a corresponding domain name, provided that the registrant has engaged in a pattern of such conduct; (c) the registrant has registered a domain name primarily for the purpose of disrupting the business of a competitor; or (d) by using the domain name, the registrant has intentionally attempted to attract, for commercial gain, Internet users to the registrant's web site or other online location, by creating the likelihood of confusion with a trade-mark proprietor's mark as to the source, sponsorship, affiliation, or endorsement of the registrant's web site or location, or of a product or service on the registrant's web site or location. This list is not exhaustive.³⁰

²⁸ UDRP para 4(a).

²⁹ WIPO Final Report ¶ [171].

³⁰ Paragraph 4(b) states expressly that:

'Evidence of Registration and Use in Bad Faith. For the purposes of Paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the panel to be present, shall be evidence of the registration and use of the domain name in bad faith:

- (i) circumstances indicating that you have registered or have acquired the domain name primarily for the purpose of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or

All three elements in paragraph 4(a) of the UDRP, listed above, need to be proved by the complainant in order to succeed under the mandatory administrative procedure. The WIPO Final Report explains the reasoning behind these cumulative elements as follows:

'The cumulative conditions of the first paragraph of the definition make it clear that the behavior of innocent or good faith domain name registrants is not to be considered abusive. For example, a small business that had registered a domain name could show, through business plans, correspondence, reports, or other forms of evidence, that it had a bona fide intention to use the name in good faith. Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would likewise not be considered to be abusive. And, good faith disputes between competing right holders or other competing legitimate interests over whether two names were misleading similar would not fall within the scope of the procedure.'³¹

2 The UDRP Dispute Resolution Service Providers

The UDRP dispute resolution service providers play an essential role in the mandatory administrative procedure. They are completely independent and impartial. They do not deal in any way with the merits of a dispute between the parties, nor do they render opinions or guidance regarding the strength or weaknesses of a party's case. Their role is to take administrative control of the proceedings by ensuring compliance with the formal requirements of the UDRP,³² the UDRP Rules,³³ and the relevant service provider's supplemental rules. Administrative responsibility and control of domain name proceedings include the service provider's notifying the complaint to the respondent, sending out case related communications, appointing the Administrative Panel, and otherwise ensuring that proceedings that were instituted in terms of the UDRP runs smoothly and is concluded expeditiously.³⁴

The WIPO Final Report made the following suggestion regarding the UDRP dispute resolution service providers:³⁵

'It is suggested that a list of several well known and well respected institutions be designated in the domain name registration agreement. The institutions to feature on such a list must be chosen on the basis of: (i) the international character of the institution; (ii)

(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your website or location.'

³¹ WIPO Final Report ¶ [172].

³² UDRP para 4(d) and (e).

³³ Available at <<http://www.icann.org/dndr/udrp/uniform-rules.htm>> (accessed 21 December 2010).

³⁴ See Bettinger op cit note 14 at 948.

³⁵ WIPO Final Report ¶ [228].

the quality of the list of neutrals or decision-makers maintained by the institution and, in particular, whether it contains persons with appropriate experience in respect of domain names, intellectual property and technical matters concerning the Internet; (iii) the likelihood that the institution will continue to be available to offer its services; and (iv) the facilities that the institution provides for the online administration of disputes.’

Since the inception of the UDRP, ICANN have approved six domain-name dispute resolution service providers to handle complaints submitted in terms of the UDRP. Two of them are no longer operational.³⁶ I shall discuss briefly below the other four.³⁷

2.1 Asian Domain Name Dispute Resolution Centre³⁸

The Asian Domain Name Dispute Resolution Centre (ADNDRC) was accredited by ICANN as a UDRP domain name dispute resolution service provider on 3 December 2001. It began accepting proceedings on 28 February 2002. The ADNDRC is a joint undertaking by the China International Economic and Trade Arbitration Commission (CIETAC), the Hong Kong International Arbitration Centre (HKIAC), and the Korean Internet Address Dispute Resolution Committee (KIDRC). The ADNDRC provides its domain-name dispute resolution services through three offices – one in Beijing, managed and operated by CIETAC, one in Seoul, managed and operated by KIDRC, and one in Hong Kong, managed and operated by the HKIAC. A claimant in a domain-name dispute within any of the gTLDs utilising the services of the ADNDRC to resolve a domain-name dispute in terms of the UDRP can choose which office of the ADNDRC the claimant wishes to administer the dispute in question. The individual offices of the ADNDRC also resolve ccTLD domain name disputes, with the CIETAC responsible for domain-name dispute resolution in the .cn (China) ccTLD, the HKIAC in the .cn (China), .hk (Hong Kong), .pw (Palau) and .ph (Philippines) ccTLDs, and the KIDRC in the .kr (Korea) ccTLD.³⁹

³⁶ See ‘Former Providers for the Uniform Domain Name Dispute Resolution Policy’, at <<http://www.icann.org/en/dndr/udrp/former-providers.htm>> (accessed 9 November 2010). These organisations are the Disputes.org/eResolution consortium, and the CPR Institute for Dispute Resolution. The former, based in Montréal, was approved by ICANN as a dispute resolution service provider on 1 January 2000. The approval was transferred to eResolution on 16 October 2000. It ceased accepting UDRP complaints from 30 November 2001 after it went into voluntary bankruptcy. The CPR Institute for Dispute Resolution was based in New York and was approved by ICANN on 22 May 2000. It ceased accepting UDRP complaints in January 2007. See the Timeline op cit note 3.

³⁷ See <<http://www.icann.org/en/dndr/udrp/approved-providers.htm>> (accessed 24 November 2010).

³⁸ See <<https://www.adndrc.org/index.html>> (accessed 24 November 2010).

³⁹ See <<https://www.adndrc.org/index.html>> (accessed 13 December 2010).

2.2 Czech Arbitration Court⁴⁰

The Czech Arbitration Court (CAC) was approved by ICANN as a UDRP domain-name dispute resolution service provider in January 2008.⁴¹ In 2005, the CAC was selected as the .eu domain-name dispute resolution service provider by EURid⁴² and the European Commission. Since the initiation of the first .eu domain-name proceeding in March 2006, close to a thousand proceedings have been brought before the CAC. The CAC administers .eu domain-name proceedings under the ADR.eu brand, the same brand used for the resolution of UDRP disputes in all the gTLDs. ADR.eu is a service of the CAC based in Prague. It uses a secure online platform and a network of expert panelists fluent in all the languages of the European Union. In January 2009, ADR.eu launched a unique UDRP service for the resolution of domain name disputes in all the gTLDs which features e-filing and class complaints. ADR.eu also administers domain-name disputes in the .nl ccTLD according to the UDRP.

2.3 National Arbitration Forum⁴³

The National Arbitration Forum (NAF) is the secondly most frequently used domain-name dispute resolution service provider. It was approved as a UDRP service provider by ICANN on 23 December 1999. Founded in 1986, the NAF, based in Minneapolis, is an international leader in arbitration and mediation services. The impressive list of NAF panelists, although mostly from the United States, are located around the world and consist primarily of intellectual property lawyers and retired state court judges. Like the WIPO Center's web site the NAF's site also contains a wide and very useful variety of information regarding domain-name dispute resolution. By the end of 2008, 10 600 disputes had been filed with the NAF, with some 1 770 cases in 2008 alone, 98 per cent of which were UDRP related domain-name disputes within the gTLDs; only two per cent of the filed disputes involved domain names in the .us ccTLD.⁴⁴

⁴⁰ See <<http://www.adr.eu/>> (accessed 13 December 2010).

⁴¹ See <http://www.adr.eu/about_us/our_history.php> (accessed on 13 December 2010).

⁴² The European Registry of Internet Domain Names. It manages the .eu TLD under contract to the European Commission. See <<http://eurid.eu/en/about>> (accessed 13 December 2010).

⁴³ See <<http://domains.adrforum.com>> (accessed 11 December 2010).

⁴⁴ See 'National Arbitration Forum Releases 2008 Domain Name Dispute Resolution Program Totals' 11 March 2009 available at <<http://domains.adrforum.com/newsroom.aspx?itemID=1479>> (accessed 11 December 2010).

2.4 **WIPO Arbitration and Mediation Center**⁴⁵

The WIPO Arbitration and Mediation Center ('WIPO Center') was the first domain-name dispute resolution service provider to be accredited by ICANN. It was approved by ICANN on 29 November 1999. The WIPO Center was also the first service provider to administer a domain-name dispute in terms of the UDRP – proceedings regarding the domain name 'worldwrestlingfederation.com'⁴⁶ commenced on 9 December 1999 and were decided on 14 January 2000. Although it is an independent organisation, the WIPO Center is administratively integrated into the International Office of the World Intellectual Property Organization (WIPO), in Geneva, Switzerland. Founded in 1994, the WIPO Center provides an institutional framework for alternative dispute resolution to parties in international commercial disputes, particularly in the fields of technology law and industrial property.⁴⁷

The WIPO Center prides itself on its extensive legal, administrative, and information technology capabilities which provide the ideal platform for rendering its extensive alternative dispute resolution services. The Center hosts an impressive web site which contains extensive and updated information regarding its domain-name dispute resolution service in terms of the UDRP. The site includes a Guide to the UDRP, a Model Complaint and a Model Response, a listing of all WIPO domain-name cases with the full text of all the decisions, a searchable index of all the WIPO UDRP decisions, WIPO Panel Views on Selected UDRP Questions, online filing forms, as well as a list of the Center's nearly 400 panelists representing close to 50 countries and their individual profiles.

The WIPO Center has, over the past decade until July 2009, handled more than 15 500 domain-name cases, conducted in thirteen languages and with parties from 150 countries.⁴⁸ In 2008, the WIPO Center reported that a record 2 329 complaints were filed, eight per cent more than in 2007.⁴⁹ These statistics not only affirm 'cybersquatting'

⁴⁵ See its web site at <<http://arbiter.wipo.int/domains>> (accessed 11 December 2010).

⁴⁶ *World Wrestling Federation Entertainment, Inc v Michael Bosman* WIPO Case No D1999-0001.

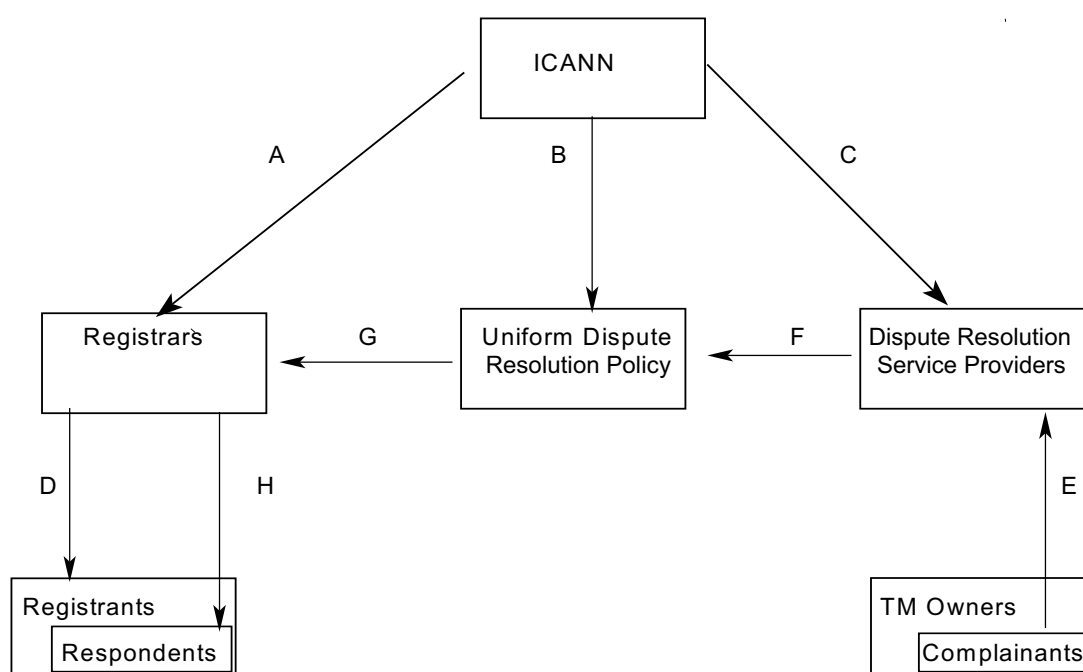
⁴⁷ Bettinger op cit note 14 at 948.

⁴⁸ The WIPO Mediation and Arbitration Center domain-name dispute resolution statistics is available at <<http://www.wipo.int/amc/en/domains/statistics>> (accessed 17 June 2009).

⁴⁹ See Qualters Sheri 'Internet Cyber-Squatting Complaints Continue to Climb' (23 March 2009) *The National L* available at <http://www.law.com/jsp/legaltechnology/in_house_tech/pubArticleIHT.jsp?id=12024> (accessed

as a global phenomenon of increasing severity but also reaffirm the WIPO Center as the most respected and prolific domain-name dispute resolution service provider. It should be noted that the WIPO Center provides not only domain-name dispute resolution services within the gTLD domain-name spaces but also within a large number of country-code top-level domains ('ccTLDs') domain-name spaces.⁵⁰

The diagram below illustrates how the domain-name dispute resolution system by which the UDRP is implemented operates in practice:⁵¹



The arrows show the relationship between the various entities, as follows:

- A: Accreditation of Registrars by ICANN
- B: Adoption of Policy by ICANN
- C: Accreditation of Dispute Resolution Service Providers by ICANN
- D: Imposition of Policy on Registrants by Registrars
- E: Selection of Dispute Resolution Service Provider by Complainants
- F: Application of Policy by Panelists appointed by Dispute Resolution Service Providers
- G: Imposition of Panelists' Decisions on Registrars
- H: Execution of Remedies against Respondents by Registrars

5 December 2010).

⁵⁰ A current list of countries and their related codes is available at <<http://arbiter.wipo.int/domains/cctld/index.html>> (accessed 20 November 2010).

⁵¹ See Christie Andrew 'The ICANN Domain Name Dispute Resolution System: A Model for Other Transborder Intellectual Property Disputes on the Internet?' paper presented at the International Conference on Dispute Resolution in Electronic Commerce, Geneva, Switzerland, on 6 November 2000.

3 Substantive Law

3.1 First Element of Abusive, Bad-Faith Registration: Identical or Confusingly Similar

As stated earlier in this chapter, a complainant's claim for the transfer or cancellation of a disputed domain name is considered in terms of paragraph 4(a) of the UDRP, which requires a trade-mark proprietor to demonstrate that the registration of a domain name is an abusive registration by satisfying three cumulative conditions.

The first element of an abusive, bad faith registration, as stated in paragraph 4(a)(i) of the UDRP, requires the complainant to prove that 'the domain name is identical or confusingly similar to a trade mark or service mark in which the complainant has rights'.

This element clearly has two components – a complainant must prove the existence of rights to a trade mark, and that the domain name is identical or confusingly similar to that trade mark.

3.1.1 Rights to a Trade Mark

3.1.1.1 Registered Trade Marks

Ownership of the relevant registered trade mark is by itself sufficient to prove the first component, according to the consensus view of WIPO Center panelists: 'If the complainant owns a registered trademark then it satisfies the threshold requirement of having trademark rights'.⁵²

This seemingly simple consensus view should, however, be discussed in more detail accurately to reflect a number of potentially problematic issues that panels had to confront in order to answer the question as to whether the ownership of a registered trade mark automatically satisfies the first component of paragraph 4(a)(i) of the UDRP. The most relevant of these issues are discussed in short below:

(a) The validity of a trade-mark registration: Situations may arise in which the validity of a trade-mark registration is questioned by respondents. For example, in *Thomas B*

⁵² 'WIPO Overview of WIPO Panel Views on Selected UDRP Questions' (March 2005) ¶ 1.1, available at <<http://www.wipo.int/amc/en/domains/search/oldoverview/>> (accessed 9 April 2011) ('WIPO Overview'). WIPO states that it created this overview in recognition of a need that had been expressed to identify, as much as possible, consensus among UDRP decisions, so as to maximise the consistency of the UDRP system.

*Hudson v Red Machi*⁵³ and *General Machine Products Company, Inc v Prime Domains*,⁵⁴ the respondents alleged that the complainants could not have rights to the registered trade marks 'HOUSELAW' and 'CRAFTWORK', respectively, as the trade marks comprised two generic words, which were accordingly not capable of forming part of a valid trade mark. In both instances the panels found that the complainants did have rights by virtue of the fact that the trade marks were registered with the United States' Patent and Trade Mark Office. This is in line with the presumption in American law that a registration on the Principal Register of the United States' Patent and Trade Mark Office is prima facie evidence of the validity of a registered trade mark.⁵⁵

UDRP panels have also not entertained questions regarding the validity of a trade-mark registration because of the complexity of the issues involved in determining whether or not a trade mark registration is valid. In *Argyle Diamond Sales Limited v Van Daaz*,⁵⁶ the panel made it clear that UDRP panels should not get involved in determining the validity of registered trade marks. It stated:

'Whether or not the Complainant should have been given the particular right which forms the basis for its complaint under paragraph 4(a)(i) of the Policy, is not a matter with which the Panel can be concerned in this administrative proceeding. Still less is it for a Panel dealing with an administrative proceeding such as this to inquire into procedural matters relating to the obtaining of the trademark or service mark on which it relies. Those are matters for the Courts in the relevant jurisdiction or jurisdictions where the marks are registered.'⁵⁷

(b) Applications for trade-mark registration: The most widely held view of UDRP panels is that an application for the registration of a trade mark does not, in itself, create a trade-mark right, within the meaning of paragraph 4(a)(i) of the UDRP. An overwhelming majority of the panels agree that a claim for trade-mark infringement arises only once a trade mark has been registered. Only a small number of mostly early UDRP panel decisions have held the view that the mere application for the registration of a trade mark is in itself sufficient to give rise to rights to a mark, and that it is thus not necessary for a trade mark to have been registered (or used) when a complaint is filed.⁵⁸

⁵³ NAF Case No FA133759 (21 January 2003).

⁵⁴ NAF Case No FA92531 (16 March 2000).

⁵⁵ See McCarthy JT *Trade Marks and Unfair Competition* (2006) (4th ed) § 19:9.

⁵⁶ WIPO Case No D2001-1323.

⁵⁷ For a more detailed discussion of registered trade marks under the UDRP, see Lindsay op cit note 9 ¶ [5.10].

⁵⁸ See, for example, *Phone-N-Phone Services (Bermuda) Ltd v Shlomi (Salomon) Lev* WIPO Case No D2000-0040; *SeekAmerica Networks Inc v Tariq Masood and Solo Signs* WIPO Case No D2000-0131;

But it is necessary to interpret the clear majority view that a mere application for a trade mark does not create a right for the purposes of paragraph 4(a)(i) of the UDRP in context of the following two considerations. In the first instance, it is possible for a complainant to assert the existence of unregistered or common-law rights to a mark. And, secondly, the answer to the question of whether or not an application for the registration of a trade mark creates rights may depend on whether the specific national law in terms of which such an application is made confers any rights to terms of such an application. In *Aspen Grove, Inc v Aspen Grove*,⁵⁹ the complainant alleged that the application for the registration of the trade mark 'ASPENGROVE' had been published for comment. The panel remarked:

'The Panel does not accept that the complainant has demonstrated any rights in the trademark it has applied to register. The Panel is not aware of any rights conferred by a trademark application either under the Policy or at US law. Certainly, under the Policy, while Panels have been willing to recognize that proof of a valid and subsisting trademark registration is prima facie evidence of trademark rights, no such presumption arises from a pending application to register a mark.'

Similar conclusions were reached by the panels in *First Tuesday Limited v The Startup Generator*⁶⁰ and *Mk-Net-Work v IVE Technologies*.⁶¹ The panels made it clear that trademark applications do not in themselves provide sufficient evidence that the complainant has generated goodwill in a mark, or that rights have been acquired. Also, apart from the rights to registered trade marks, the only other types of right that can possibly amount to such rights are rights acquired through the use of a trade mark, and rights to unregistered (or common-law) trade marks. In *Fashiontv.com GmbH v Mr Chris Olic*⁶² the panel stressed that the status of an application for registration can be assessed by reference only to the position under the applicable national trade-mark law, and that it was in certain limited circumstances possible that rights may arise prior to registration, such as where the opposition period has passed and it is clear that a trade mark will be granted. This decision highlights the possible difficulty in deciding which rights may exist in a particular mark before registration. UDRP panels are not in an ideal position to determine the merits of an

La Francaice Des Jeux v L Welsr WIPO Case No D2002-0305; *Bart van den Bergh Merk-Echt BV v Kentech Company Ltd* WIPO Case No D2005-0127; *Michael Aston v Dena Pierrets*, NAF Case No 117322 (27 September 2002). See also Bettinger op cit note 14 at 990; Lindsay op cit note 9 ¶ [5.10].

⁵⁹ WIPO Case No D2001-0798.

⁶⁰ WIPO Case No D2000-1732.

⁶¹ WIPO Case No D2004-0302.

⁶² WIPO Case No D2005-0994.

application for the registration of a trade mark, but the possibility similarly exists that the publication of an application presents cybersquatters with the ideal opportunity to register an identical or a similar domain name.

Generally, though the position where an application for the registration of a trade mark is still pending, a complainant should either wait for such a mark to be registered, or provide evidence of unregistered or common-law rights to the mark before lodging a complaint in terms of the UDRP.⁶³ As discussed in item (d) below, the time at which rights to a trade mark must arise for a complaint to be lodged in terms of the UDRP is not the time of the registration of the infringing domain name but the time of lodging the complaint.

(c) *The territorial significance and scope of a trade-mark registration:* Trade-mark law traditionally requires the trade mark on which a complainant would base a claim for relief in cases of infringement, to be protected in the country in which the trade mark is registered. This, it would seem, is not the case in terms of the UDRP, in that the UDRP does not require the trade mark on which the complainant relies to be protected in the country in which the domain name has been registered and is being used. It is sufficient if the complainant can indicate that he has trade-mark rights and so enjoys trade-mark protection in any national jurisdiction for the mark that forms the basis of the dispute.⁶⁴ The location of the registered trade mark and the goods and/or services for which the mark is registered are irrelevant to a finding of rights to a trade mark for the purposes of paragraph 4(a)(i) of the UDRP.⁶⁵

A number of UDRP decisions are unequivocal in this respect. Early on, in *Bennet Coleman and Co v Lalwani*,⁶⁶ the panel emphasised that the Internet is a global medium, which renders the specific place in which the rights to a trade mark were granted insignificant:

‘Since the essence of the Internet is its worldwide access, consideration of the propriety of domain name registrations cannot be confined to comparisons with trade mark registrations or other rights in the country where the site is hosted.’

⁶³ Lindsay op cit note 9 ¶ [5.14].

⁶⁴ Bettinger op cit note 14 at 991.

⁶⁵ WIPO Overview ¶ [1.1].

⁶⁶ WIPO Case No D2000-0014.

Similar remarks were made in *UEFA v Funzi Furniture*:⁶⁷

'If the onus on the complainant was to establish exclusive rights across all categories of goods and services and across all territorial boundaries, the object of the Policy (namely to combat bad faith registration and use of domain names) would be defeated. The purpose of paragraph 4(a)(i) of the Policy is simply to ensure that the complainant has a bona fide basis for making the complaint.'

The principle that the specific jurisdiction in which the rights to a trade mark arise is irrelevant to the determination of the relevant rights required in terms of paragraph 4(a)(i) of the UDRP was clearly entrenched in *Koninklijke KPN NV v Telepathy Inc.*⁶⁸ The panel reiterated that '[t]he Policy does not require that the mark be registered in the country in which the Respondent operates. It is sufficient that a complainant can demonstrate a mark in some jurisdiction'.⁶⁹

(d) *The relevant time at which trade-mark protection arises*: Panelists differ as to whether paragraph 4(a)(i) of the UDRP implicitly require that the trade mark which forms the basis of the dispute should have been registered before the disputed domain name was registered. Some UDRP panels held the view that the requirements of paragraph 4(a)(i) can be met only if the trade mark was registered before the disputed domain name, and that a domain name registrant consequently cannot be held liable for the registration of a domain name that is identical or confusingly similar to a trade mark, when there were no rights to the trade mark when the disputed domain name was registered. These panelists cogently argued that it would otherwise be possible for a trade-mark proprietor which acquired the rights to a particular trade mark to challenge a domain name registration which was made prior to such proprietor acquiring the rights to the particular trade mark, which would be in conflict with the meaning and purpose of the UDRP and traditional trade-mark law principles.⁷⁰ In *Phoenix Mortgage Corporation v Tom Toggas*,⁷¹ in which the domain name 'e-mortgage.com' was registered before the actual date of the trade-mark registration, the panelist argued that the complaint did not meet the

⁶⁷ WIPO Case No D2000-0710.

⁶⁸ WIPO Case No D2001-0217.

⁶⁹ Lindsay op cit note 9 ¶ [5.12]. See also *Bennet Coleman and Co Ltd v Long Distance Telephone Company* WIPO Case No D2000-015; *Thaigem Global Marketing Limited v Sanchai Aree* WIPO Case No D2002-0358.

⁷⁰ Bettinger op cit note 14 at 990.

⁷¹ WIPO Case No D2001-0101.

requirements of paragraph 4(a)(i) of the UDRP, in that the complainant had failed to prove that it had prior rights to the trade mark, because paragraph 4(a)(i) necessarily implies that the complainant's trade-mark rights predates the respondent's registration and use of the disputed domain name.⁷²

Panelists favouring the opposite, and preferred point of view, argue that the acquisition of rights to a trade mark after the registration of the disputed domain name is moot in the context of the requirements of paragraph 4(a)(i) of the UDRP, because such acquisition will not prevent the first element from being satisfied and is relevant only to the requirement of bad faith under paragraph 4(a)(iii) of the UDRP.⁷³ This is in line with the WIPO Overview:

'Registration of a domain name before a complainant acquires trademark rights in a name does not prevent a finding of identity or confusing similarity. The UDRP makes no specific reference to the date of which the owner of the trade or service mark acquired rights. However it can be difficult to prove that the domain name was registered in bad faith as it is difficult to show the domain name was registered with a future trademark in mind.'⁷⁴

(e) *Automatic or unexamined trade-mark registrations*: The registration of a trade mark where the registration is automatic or unexamined, or where it is registered under a national system that does not in all certainty create full legal rights to the particular trade mark will, generally, not be sufficient to establish rights to the trade mark, as required by paragraph 4(a)(i) of the UDRP. As an indication of the prudent approach by UDRP panelists to automatic and unexamined trade-mark registrations, the WIPO Overview warns:

'In certain, highly limited circumstances, a panel may examine the circumstances of trademark registration to determine whether the registration satisfies UDRP requirements. Trademark registrations that are automatic or unexamined (such as US state registrations as opposed to US federal registrations) may not always be owed the same deference as examined registrations.'⁷⁵

⁷² See also *Ezcommerce Global Solutions, Inc v AlphaBase Interactive (aka Alpha Base Interactive Inc, Alpha Base Systems Inc and Alpha Base Systems Incorporated)* WIPO Case No D2002-0943; *The Planetary Society v The Planetary Society* WIPO Case No D2001-1228; *China Daily News Group v Rui Yang NAF* Case No FA115042 (25 September 2002); and *Transpark LLC v Network Administrator NAF* Case No FA135602 (21 January 2003).

⁷³ See, for example, *Firstgate Internet AG v David Soung* WIPO Case No D2000-1311; *Digital Vision Ltd v Advanced Chemill Systems* WIPO Case No D2001-0827; *AB Svenska Spel v Andrey Zacharov* WIPO Case No D2003-0527; *MADRID 2012 SA v Scott Martin-MadridMan Websites* WIPO Case No D2003-0598; *Iogen Corporation v IOGEN* WIPO Case No D2003-0544; *Countrywide Financial Corporation Inc v Aziz Popal* WIPO Case No D2005-0295; and *Google Inc v Gridasov* NAF Case No FA0505000474816 (5 July 2005).

⁷⁴ WIPO Overview ¶ 1.4.

⁷⁵ *Ibid.*

UDRP panels will, therefore, not merely accept that all trade-mark registrations vest in the registrant with the threshold trade-mark rights required by paragraph 4(a)(i) of the UDRP, and may sometimes examine the circumstances of a trade mark's registration to determine whether the registration actually satisfies the UDRP requirements.⁷⁶ A good example of a trade-mark registration that has regularly been found by UDRP panels not to create the threshold rights necessary to satisfy the requirements of the UDRP is registration on the United States Patent and Trademark Office's Supplemental Register.⁷⁷ Registration on the Supplemental Register is available only for marks that are not capable of being registered on the Principal Register, usually because such marks are descriptive and lacks distinctiveness, and such a registration accordingly does not create a presumption of validity.⁷⁸

3.1.1.2 Rights to a Trade Mark: Unregistered Trade Marks

There seems to be little doubt that the phrase 'trademark or service mark' in paragraph 4(a)(i) of the UDRP should be interpreted broadly to include not only registered trade marks, but by implication also unregistered trade marks, such as common-law trade marks, which can vest in a person through the continuous use of such a mark and by which such a mark becomes a distinctive identifier associated with a particular trade-mark proprietor or its goods and services. As Froomkin points out:

'The WIPO proposal used the phrase "trade or service mark in which the complainant has rights"; since one of the ways in which a person acquires rights to a trademark in the United States and in other common law countries is by use without registration, it followed naturally that so-called common law marks were covered. As an international body, WIPO was in any case sensitive to claims that it might be favoring rights acquired in one legal system as opposed to another.'⁷⁹

⁷⁶ See *PwC Business Trust v Ultimate Search* WIPO Case No D2002-0087; *Lion Country Supply Inc v J Katz* WIPO Case No D2003-0106; and *PC Mal, Inc v Pygmy Computer System Inc* WIPO Case No D2004-0437.

⁷⁷ See *America's Community Bankers Corporation v Charles R Wing* WIPO Case No D2000-1780; *CyberTrader Inc v Gregory Bushell* WIPO Case No D2001-1019; *John Gard v Francesco Spina* WIPO Case No DBIZ2002-0167; *Robert Chiappetta dba Discount Hydroponics v CJ Morales* WIPO Case No D2002-1103; and *Oil Changer Inc v Name Administration Inc* WIPO Case No D2005-0530. Compare *Betonsports PLC v TPCR Development SRL* WIPO Case No D2006-0634, in which the panel found that the complainant presented sufficient evidence that a mark had acquired sufficient distinctiveness for the purposes of the first element of the UDRP, even though the mark was registered on the Supplemental Register.

⁷⁸ 15 USC §§ 1091-1092. See also Hart Jonathan D *Internet Law: A Field Guide* (2007) (5th ed) 143; Lindsay op cit note 9 ¶ [5.13].

⁷⁹ Froomkin A Michael 'ICANN's "Uniform Dispute Resolution Policy" – Causes and Partial Cures' (2002) 67 *Brooklyn LR* 605 at 638 n 107.

McCarthy similarly states:

'The ICANN dispute resolution policy is "broad in scope" in that "the reference to a trademark or service mark" "in which the complainant has rights" means that ownership of a registered mark is not required – unregistered or common law trademark or service mark rights will suffice to support a domain name complaint under the Policy'.⁸⁰

The fact that the terms 'trademark' and 'service mark' in paragraph 4(a)(i) were left unqualified can consequently lead to the inference that the registration of a trade mark is not a prerequisite for the protection provided for by the UDRP.⁸¹ A majority of UDRP panels have unsurprisingly found, from the inception of the UDRP process, that unregistered trade-mark rights are sufficient to prove trade-mark rights for the purposes of the first element of the UDRP.⁸²

The leading decisions are: *Cedar Trade Associates Inc v Gregg Ricks*,⁸³ *Bennett Coleman and Co Ltd v Steven S Lalwani*,⁸⁴ *The British Broadcasting Corporation v Jaime Rentaria*,⁸⁵ *SeekAmerica Networks Inc v Tariq Masood*,⁸⁶ *The Planetary Society v Lawrence S Lewis*,⁸⁷ *Brisbane City Council v Joyce Russ Advertising Pty Ltd*,⁸⁸ and *EasyGroup IP Licensing Ltd v PSINet UK Ltd*.⁸⁹

This solid base of authority led the WIPO Second Domain Name Report to state blithely that –

'[t]he UDRP ... does not require that a complainant must hold rights specifically in a *registered* trademark or service mark. Instead it provides only that there must be 'a

⁸⁰ McCarthy op cit note 55 § 25:74.2. See also Phillips Jeremy *Trade Mark Law: A Practical Anatomy* (2003) ¶ 17.36.

⁸¹ Lindsay op cit note 9 ¶ [5.16].

⁸² See Kur Annette 'UDRP: A Study by the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law' (2002) at 21, available at <http://141.3.20.1/admin/get_data.php?resID=95> (accessed 5 May 2011). The study found that 84, 26 per cent of the UDRP cases decided by early 2001 were based on registered trade-mark rights, while the balance was based on unregistered trade-mark rights. See Mueller Milton 'Success by Default: A New Profile of Domain Name Trademark Disputes under ICANN's UDRP' (24 June 2002), available at <<http://dcc.syr.edu/PDF/markle-report-final.pdf>> (accessed 10 November 2010). He established that the complainants in 81.7% of the disputes relied on registered trade marks, and in 18% of the disputes relied on common-law trade marks or trade marks acquired through use.

⁸³ NAF Case No FA93633 (25 February 2000).

⁸⁴ WIPO Case No D2000-0014.

⁸⁵ WIPO Case No D2000-0050.

⁸⁶ WIPO Case No D2000-0131.

⁸⁷ WIPO Case No D2000-1435.

⁸⁸ WIPO Case No D2001-0069.

⁸⁹ WIPO Case No D2005-0421.

trademark or service mark in which the complainant has *rights*, without specifying how these rights are acquired. With this distinction in mind, many decisions under the UDRP have therefore determined that common law or unregistered trademark rights may be asserted by a complainant and will satisfy the first condition of the UDRP.⁹⁰

The fact that rights acquired in unregistered trade marks can form the subject matter of a UDRP complaint, because of the sufficiently broad wording and interpretation of paragraph 4(a)(i), has itself been a major source of doubt about and difficulty with the application of the UDRP. The rights to an unregistered trade mark are determined on a national level with reference to divergent national laws. This is quite unlike the situation with registered trade marks, which give rise to largely universal and uniformly applied legal rights.

Only certain national jurisdictions recognise unregistered trade-mark rights. The jurisdictions which do recognise unregistered trade-mark rights do so in differing degrees, in terms of divergent legal principles. Some national jurisdictions do not recognise unregistered trade mark rights at all. So there are critical differences in the legal principles that apply when a panel has to determine whether rights arise in unregistered trade marks in terms of different national laws. In determining, for example, the requirements for establishing common-law trade-mark rights under American law, it is necessary to distinguish between inherently distinctive marks, descriptive marks, and generic terms – common-law trade-mark rights can arise only in respect of a mark that is either distinctive or has become distinctive through use.⁹¹

Although it does not directly confer rights to a mark, in English law, the tort of passing off does protect marks as an ancillary consequence of protecting business goodwill against misrepresentation.⁹² The degree of distinctiveness of an unregistered mark is

⁹⁰ WIPO 'The Recognition of Rights and the Use of Names in the Internet Domain Name System' Report of the Second WIPO Internet Domain Name Process (September 2001), available at <<http://www.wipo.int/export/sites/www/amc/en/docs/report-final2.pdf>> ¶ [182] (accessed 10 November 2010).

⁹¹ For more detailed discussions of common-law trade-mark rights under American law, see Lindsay op cit note 9 ¶ [5.18]; McCarthy op cit note 55 § 11.4; Hutchinson James 'Can Trade Mark Protection Respond to the International Threat of Cybersquatting?' (2001) 1 *Journal of Information, Law and Technology* 1 at 6, available at <http://www2.warwick.ac.uk/fac/soc/law/elj/jilt/2001_1/hutchinson/> (accessed 15 December 2010); Al Ramahi Mohammad S 'Internet Domain Names and Trade Mark Law: Does the Current Legal Scheme Provide Adequate Protection to Domain names Under the US and the UK Jurisdictions' paper presented at 21st BILETA Conference: Globalization and Harmonization in Technology Law, Malta, (April 2006) page 9-16.

⁹² For a more detailed discussion of the tort of passing off in English Law, see Lindsay op cit note 9 ¶ [5.19]; Hutchinson op cit note 91 at 2-3; Al Ramahi op cit note 91 at 21-24; Meyer Rochow Rembert 'The Application of Passing Off as a Remedy Against Domain Name Piracy' (1998) 11 *European Intellectual Property Review*

crucial to the success of actions in both American and English law. However, in terms of the English common law, unlike American law, the extent to which an unregistered mark is distinctive is only a factor in determining whether or not there has been misrepresentation.⁹³ Courts in the United States tend to distinguish clearly between inherently distinctive marks and descriptive marks when they have to determine whether common-law rights have accrued to a mark.⁹⁴ The concept 'distinctiveness', therefore, plays different roles and serves different purposes in these two legal systems.⁹⁵ The above illustrates that the requirements for establishing distinctiveness may well differ from one legal system to the next, as will the acquisition of rights to a trade mark through use of the mark.

In civil law legal systems, unregistered trade-mark rights may likewise arise under some national laws but not under others. An example culled from the UDRP jurisprudence: under Turkish trade-mark law, trade-mark rights arise only by way of registration, with the narrow exception of unregistered well-known marks in line with article 6(bis) of the Paris Convention for the Protection of Industrial Property.⁹⁶

Difficulties may arise as to how UDRP panels should approach unregistered marks, as clear guidance is not provided in the UDRP policy documents. The circumstances in which unregistered trade mark rights may be found in a UDRP complaint has not been stated conclusively in the UDRP itself, which can lead to inconsistent and materially differing results within the UDRP decision-making framework. Complaints based on unregistered trade marks may be heard by a panel, the members of which may not be from a country in which unregistered trade mark rights are recognised. Panelists can realistically be expected to be intimately familiar only with the law of their home countries. This gives rise to the valid concern of inconsistent approaches to paragraph 4(a)(i) of the UDRP.

405; Bentley Lionel and Sherman Brad *Intellectual Property Law* (2009) (3rd ed) chapters 32-34.

⁹³ See, for example, *Reddaway v Banham* [1896] AC 199; *Erven Warnick BV v J Townend and Sons (Hull) Ltd* [1979] AC 731; *Reckitt and Coleman v Borden* [1990] RPC340; *British Telecommunications v One in a Million Ltd* [1999] FSR 1 (CA) at 8; *Guinness Ireland Group v Kilkenny Brewing Co Ltd* [2000] FSR 112.

⁹⁴ See, for example, *Blisscraft of Hollywood v United Plastics Co* 294 F 2d 694 (1961); *Stix Products Inc v United Merchants Manufacturers Inc* 295 F Supp 479 (1968); *Two Pesos Inc v Taco Cabana* 505 US 763 (1992); *Walmart Stores Inc v Samara Brothers Inc* 120 S Ct 1339 (2000); McCarthy op cit note 55 § 11.15.

⁹⁵ Lindsay op cit note 9 ¶ [5.19.1].

⁹⁶ See *The Republic of Turkey v Haval Kurdistan* WIPO Case No D2006-0184.

An equally valid concern is that businesses which operate exclusively in legal systems that do not recognise rights to unregistered marks would realistically have a lesser chance of success with a UDRP complaint than businesses that operate in legal systems where these rights are recognised. As a result, identical factual circumstances may yield different decisions, depending on the principles of the relevant legal system. At a practical level, therefore, there is much to be said for selecting panelists familiar with the national legal principles relevant to a UDRP complaint.⁹⁷ While this may be a pragmatic approach, it remains doctrinally undesirable.

As a way out of this quagmire, Willoughby has even suggested that panelists ‘grant’ complainants unregistered trade-mark rights which they will not necessarily have in terms of their national trade-mark laws but which they would have acquired had they been trading in a common-law jurisdiction.⁹⁸ This approach, Willoughby argues, will have the advantage of ensuring that the UDRP is applied uniformly across the globe, provided that panelists are equally aware of what is required by way of evidence to establish an unregistered trade-mark right.⁹⁹

In view of the potentially divergent approaches to rights to unregistered trade marks for the purposes of the first element of the UDRP, the WIPO consensus view on what a complainant should show successfully to assert common-law or unregistered trade-mark rights is useful:

‘The complainant must show that the name has become a distinctive identifier associated with the complainant or its goods and services. Relevant evidence of such “secondary meaning” includes length and amount of sales under the mark, the nature and extent of advertising, consumer surveys and media recognition. The fact that the secondary meaning may only exist in a small geographic area does not limit complainant’s rights in a common law trade mark. Unregistered rights can arise even when the complainant is based in a civil law jurisdiction.’¹⁰⁰

⁹⁷ Bettinger op cit note 14 at 993-994.

⁹⁸ See, for example, *Luis Cobos v West North* WIPO Case No D2004-0128.

⁹⁹ See Willoughby Tony ‘Domain Name DRS Policies: From the Sublime to the Ridiculous’ (2006) 8 *Journal of Intellectual Property Law and Practice* 539 at 541.

¹⁰⁰ WIPO Overview ¶ 1.7. See further the following decisions regarding the recognition of common-law or unregistered trade-mark rights for the purposes of paragraph 4(a)(i) of the UDRP: *Uitgeverij Crux v Frederic Isler* WIPO Case No D2000-0575; *Skattedirektoratet v Eivind Nag* WIPO Case No D2000-1314; *Amsec Enterprises LC v Sharon McCall* WIPO Case No D2001-0083; *Australian Trade Commission v Matthew Reader* WIPO Case No D2002-0786; *Saint Francis Hospital and Medical Center v Registrant (187640)* WIPO Case No 2006-0543.

This statement, although essentially correct, is an over simplification of the divergent legal principles applicable in national legal systems and the potentially varying approaches of panels to the existence of rights to common-law or unregistered trade marks.

In the next section I shall canvass how UDRP panels have applied national legal principles to protect unregistered trade-mark rights on the basis of use or secondary meaning for the purposes of paragraph 4(a)(i) of the UDRP.

(i) Personal Names

As I stated earlier in this chapter, the availability of the domain-name dispute resolution procedure for the protection of intellectual property rights to terms of the UDRP is limited in scope in that the UDRP defines an abusive registration with reference only to trade and service marks. Accordingly, registrations that violate trade names, geographical indications, or personality rights are strictly speaking not abusive registrations for the purposes of the mandatory administrative procedure.¹⁰¹ Personal names were not specifically referred to in paragraph 4(a)(i) of the UDRP, as personal names were not deemed to be included within the definition of a trade or service mark for the purposes of the UDRP. Including personal names within the ambit of paragraph 4(a)(i), either by lending of a broader than intended interpretation to paragraph 4(a)(i), or by way of a modification of the UDRP, was thought not to be prudent. This is highlighted by the WIPO Second Report:¹⁰²

‘The most cogent of the arguments against modification of the UDRP is, we believe, the lack of an international norm protecting personal names and the consequent diversity of legal approaches deployed to protect personal names at the national level. We consider that this diversity would place parties and panelists in an international procedure in an untenable position and would jeopardize the credibility and efficiency of the UDRP.’

Personal names are accordingly not protected for the purposes of the UDRP unless they have been registered as trade marks or are protected at common law as unregistered marks, or function as trade marks through use in the course of trade. The protection of personal names for the purposes of the UDRP is consequently not

¹⁰¹ See WIPO Final Report ¶ [167].

¹⁰² See WIPO Second Report ¶ [201].

founded upon a general internationally recognised doctrine for the protection of personality rights. Rather, such protection is an incident of protecting nationally recognised trade-mark rights.¹⁰³ If a personal name has not been registered as a trade mark, or the requirements for protection created through the use of the name are not satisfied with reference to the legal principles of the applicable national law, or if such legal system does not allow for trade-mark protection acquired through use or secondary meaning, then the requirement of the existence of trade-mark rights for the purposes of the first element of the UDRP has not been satisfied. As a result the holder of the personal name should not be entitled to the remedies under the UDRP.¹⁰⁴ The WIPO Second Report confirmed this view. It states the following regarding personal names that have been registered as trade marks: ‘the clear weight of authority of many decisions is in favor of the application of the UDRP to the protection of personal names when they constitute trademarks’.¹⁰⁵

The WIPO Second Report further highlighted that UDRP panels have found that complainants had established common-law rights to personal names.¹⁰⁶ The report noted that these panels have considered the following factors to be relevant to the panel decisions:

‘(i) the distinctive character or notoriety of the name and the requirement that the domain name must be “identical or confusingly similar” to it, (ii) the relationship between this distinctive character and use of the name in connection with goods or services in commerce, and (iii) the location of the parties and the bearing that this may have on the acquisition of unregistered trademark rights’.¹⁰⁷

The WIPO consensus view as to whether a complainant can show rights to a personal name for the purposes of the first element of the UDRP is the following:

‘While the UDRP does not specifically protect personal names, in situations where an unregistered personal name is being used for trade or commerce, the complainant can establish common law trademark rights in the name. Reference can be made to the test required for the common law action of passing off. Personal names that have been trademarked are protected under the UDRP.’¹⁰⁸

¹⁰³ See Lindsay op cit note 9 ¶ [5.20].

¹⁰⁴ Bettinger op cit note 14 at 1005; Marx op cit note 6 at 120.

¹⁰⁵ WIPO Second Report ¶ [179].

¹⁰⁶ Idem ¶ [182].

¹⁰⁷ Ibid.

¹⁰⁸ WIPO Overview ¶ 1.6.

Personal names that have been registered as trade marks do not pose any problems and are thus regarded as sufficient to establish trade-mark rights for the purposes of the first element of the UDRP. Personal names are accordingly no different than any other registered trade marks for the purposes of the requirements of paragraph 4(a)(i) of the UDRP. This is proved by the fact that UDRP panels have consistently found that the registration of a personal name as a trade mark under the trade mark laws of a national jurisdiction is adequate to satisfy the requirements of paragraph 4(a)(i). In these complaints the trade-marked personal names were used in some form or another as part of the disputed domain names.¹⁰⁹ It does not seem to matter in which country a trade mark is registered over a personal name for the complainant to prove registered trade-mark rights. For example, in *Bernardka Pulko v Greg Frazier*¹¹⁰ a trade mark registered in Slovenia was regarded as sufficient proof of registered trade-mark rights to a personal name. Although some panels have accepted the mere application for the registration of a trade mark as sufficient proof,¹¹¹ the preferred view in the majority of decisions is that a mere application for a trade mark is not enough to vest trade-mark rights to the applicant, as it has not been examined by the trade-mark registrars and may be rejected when it is.¹¹²

In truth, though, a small number of people with famous names (so-called celebrities), such as actors, sport stars, and musicians have registered their personal names as trade marks. A large number of individuals with famous names who lodged complaints in terms of the UDRP thus had to prove that their names acquired common-law trade mark rights, or some other form of trade-mark protection by being 'used for trade or commerce'. The WIPO consensus view is that –

¹⁰⁹ See, for example, *Harrods Ltd v Robert Boyd* WIPO Case No D2000-0060 (the domain name 'dodialfayed.com'); *Madonna Ciccone v Dan Parisi* WIPO Case No D2000-0847; *Robbie Williams v Howard Taylor* WIPO Case No D2002-0588; *Mika Hakkinen v 'For SALE'* WIPO Case No D2001-1306; *Gian Carlo Fisichella v Web Master, AWG* WIPO Case No D2001-1135; *Sheryl Crow v LOVEARTH.net* NAF Case No FA203208 (28 November 2003); *Glory Establishment v FutbolMasters Ltd FW, FM, Steve Leighton* WIPO Case No D2007-0439 (the company representing the interests of the soccer legend Pele registered his name as a trade mark); *Die Marlene Dietrich Collection GmbH v Johan Du Plessis* WIPO Case No D2007-1306.

¹¹⁰ WIPO Case No D2006-0099.

¹¹¹ *Fashiontv.com GmbH v Mr Chris Olic* WIPO Case No D2005-0994; *CMG Worldwide Inc v Naughty Page* NAF Case No FA0095641 (8 November 2000); and *Kendra Todd v Real Estate Radio c/o Leo Miller* NAF Case No FA0783428 (6 October 2006).

¹¹² See, for example, *First Tuesday Limited v The Startup Generator* WIPO Case No D2000-1732; *Spencer Douglas MGA v Absolute Bonding Corporation* WIPO Case No D2001-0904; and *Mk-Net-Work v IVE Technologies* WIPO Case No D2004-0302. See also Brown Neil QC 'The Arbitration of Celebrity Domain Names' (2008), available at <<http://domaindisputes.co.za/downloads/CelebritiesStudy.pdf>> at 28 (accessed 18 November 2010).

[t]he name in question should actually be used in trade or commerce to establish unregistered trademark rights. Merely having a famous name (such as a businessman, or religious leader) is not necessarily sufficient to show unregistered trade mark rights.¹¹³

It is accordingly not regarded as sufficient for the purposes of paragraph 4(a)(i) of the UDRP for a person who wants to protect his name to be famous or well known, to appear on television or in magazines, or to be rich or commercially successful. Rather, such a person must commercially exploit his name as a trade mark in connection with particular goods or services. If unregistered trade mark-rights are to exist in a personal name for the purposes of the UDRP the rights must be determined in accordance with the national trade-mark law principles within the national jurisdictions in which the unregistered trade-mark rights are claimed. Unregistered trade-mark rights necessarily depend on the extent to which the laws of a particular national jurisdiction recognise, or not recognise, that the activities of a UDRP complainant have acquired unregistered rights in that jurisdiction. Unregistered trade-mark rights 'do not exist in some nebulous way across the breadth of the countries in which a complainant proves it has a reputation'.¹¹⁴ In determining whether a particular personal name is worthy of protection in terms of paragraph 4(a)(i) of the UDRP, the panel will consider the national laws of the jurisdictions in which the unregistered trade-mark rights are claimed and decide whether such rights exists in at least one of these jurisdictions.¹¹⁵

Although the grounds referred to by UDRP panels for finding that common-law rights existed in a personal name are often remarkably brief and without proper reference to national legal principles or authority, the clear majority of decisions concerned complaints in which the complainant relied on common-law trade marks, in terms of American or British law.¹¹⁶

In terms of American trade-mark law, personal names are usually regarded as descriptive terms. As they are not inherently distinctive, personal names require proof of a secondary meaning in order to be protected as common-law trade marks.¹¹⁷

¹¹³ WIPO Overview ¶ 1.6.

¹¹⁴ *Antonio de Felipe v Registryfly.com* WIPO Case No D2005-0969.

¹¹⁵ *Arthur Golden v Galileo Asesores SL* WIPO Case No D2006-1215; Lindsay op cit note 9 ¶ [5.20.2].

¹¹⁶ Bettinger op cit note 14 at 1006.

¹¹⁷ McCarthy op cit note 55 § 13:2.

Many UDRP panels have, however, tended towards a rather indiscriminate approach in finding common-law rights to a personal name in terms of American trade-mark law. An example of this approach can be found in the early decision of *Julia Fiona Roberts v Russel Boyd*,¹¹⁸ in which the panel merely concluded that the name 'Julia Roberts' had sufficient secondary association with the complainant for common-law trade marks to exist in terms of American trade-mark law. As stated in the WIPO Overview,¹¹⁹ the mere fact that a personal name is famous does not necessarily clothe the name with unregistered trade-mark rights. The question under American trade-mark law is not only whether a name is famous, but, more importantly, whether the name has acquired distinctiveness through use in connection with goods or services.

The comments in the WIPO Second Report¹²⁰ emphasised the distinction between unregistered trade-mark rights to personal names and personality rights to personal names. Subsequently, panels have tended to focus more on the relevant principles of American trade-mark law in finding the existence of common-law trade-mark rights. For example, in *Kathleen Kennedy Townsend v BG Birt*,¹²¹ *The Reverent Dr Jerry Falwell v Gary Cohn*,¹²² *Kevin Spacey v Alberta Hot Rods*,¹²³ *Dr Michael Crichton v Alberta Hot Rods*,¹²⁴ *Planned Parenthood Federation of America Inc and Gloria Feldt v Chris Hoffman*,¹²⁵ *Allee Willis v NetHollywood*,¹²⁶ *Jay Leno v Garrison Hintz*,¹²⁷ and *Lisa Guerrero v Whois Protection*,¹²⁸ the panels correctly addressed the need for distinctiveness, in the sense that a personal name should acquire a secondary meaning through the commercial use of the name in connection with goods or services.¹²⁹

As I mentioned earlier, unregistered trade marks are protected in British law by the action for passing off. The ability to bring an action for passing off is, however, in itself

¹¹⁸ WIPO Case No D2000-0210.

¹¹⁹ WIPO Overview ¶ 1.6.

¹²⁰ WIPO Second Report ¶ [199].

¹²¹ WIPO Case No D2002-0030.

¹²² WIPO Case No D2002-0184.

¹²³ NAF Case No FA114437 (1 August 2002).

¹²⁴ WIPO Case No D2002-0872.

¹²⁵ WIPO Case No D2002-1073.

¹²⁶ WIPO Case No D2004-1030.

¹²⁷ WIPO Case No D2009-0569.

¹²⁸ WIPO Case No D2009-1055.

¹²⁹ See Lindsay op cit note 9 ¶ [5.20.2].

not sufficient to establish common-law trade-mark rights to a personal name.¹³⁰ It is necessary for a name also to have acquired a secondary meaning. Early UDRP panels have tended to blur the distinction between the right to bring an action for passing off and proving common-law trade-mark rights.¹³¹ The lack of emphasis placed on the added requirement for a secondary meaning to be established gave rise to considerable subsequent controversy.

Although the views regarding personal names forwarded in the WIPO Second Report¹³² led to a more discriminate approach by UDRP panels, it did little to reconcile the differences between those panelists who have emphasised the need for establishing a secondary meaning in a personal name, and those who have been prepared to assume that a well-known name is protected without more in terms of the UDRP. The controversial difference in approach is evident from, amongst others, *Israel Harold Asper v Communication X Inc*,¹³³ *R E 'Ted' Turner and Ted Turner Film Properties LLC v Mazen Fahmi*,¹³⁴ *Chinmoy Kumar Ghose v ICDSOft.com*, *Maria Sliwa*.¹³⁵ The wording of the WIPO Overview¹³⁶ on the status of personal names under the UDRP, in which the emphasis is on the use of a personal name in trade and commerce rather than on whether a personal name has acquired a secondary meaning, further contributed to uncertainty.¹³⁷

For the sake of further illustration, some more examples.

Some categories of names have proved to be more likely to acquire unregistered trade-mark rights than others.¹³⁸

¹³⁰ See Chaudri Abida 'Internet Domain Names and the Interaction with Intellectual Property' (2008) 24 *Computer Law and Security Report* 360 at 362.

¹³¹ *Jeanette Winterson v Mark Hogarth* WIPO Case No D2000-0235; *Julian Barnes v Old Barn Studios Limited* WIPO Case No D2001-0121.

¹³² WIPO Second Report ¶ [212].

¹³³ WIPO Case No D2001-0540.

¹³⁴ WIPO Case No D2002-0251.

¹³⁵ WIPO Case No D2003-0248.

¹³⁶ WIPO Overview ¶ 1.6.

¹³⁷ See, for example, *Chung, Mong Koo v Individual* WIPO Case No D2005-1068; see further Lindsay op cit note 9 ¶ [5.20.3].

¹³⁸ See *Israel Harold Asper v Communication X Inc* WIPO Case No D2001-0540, in which the panel set out the likelihood of unregistered trade marks being acquired in a personal name according to a number of categories of personal names.

The following list of famous people were all successful in contesting the registrations and use of their names as domain names under the UDRP:¹³⁹

- The musicians Cheryl Crow,¹⁴⁰ Celine Dion,¹⁴¹ Peter Frampton,¹⁴² David Gilmore,¹⁴³ the administrator of the estate of the late Jimi Hendrix,¹⁴⁴ Japanese pop star Utada Hikaru,¹⁴⁵ Mick Jagger,¹⁴⁶ Tommy Lee,¹⁴⁷ Madonna,¹⁴⁸ Van Morrison,¹⁴⁹ SADE,¹⁵⁰ and Robbie Williams.¹⁵¹ The only major exception is Sting, who was unsuccessful in his bid for the domain name sting.com, because the panel viewed 'sting' as a generic term in the English language which is used in a number of different connotations on the Internet.¹⁵²
- The actors and actresses Isabella Adjani,¹⁵³ Pamela Anderson,¹⁵⁴ Pierce Brosnan,¹⁵⁵ Billy Connolly,¹⁵⁶ Carmen Electra,¹⁵⁷ Lisa Guerrero,¹⁵⁸ the trust of Gene Kelly,¹⁵⁹ Nicole Kidman,¹⁶⁰ Julia Roberts,¹⁶¹ and the adult entertainment star Sylvia Saint.¹⁶²
- The authors Jeffrey Archer,¹⁶³ Julian Barnes,¹⁶⁴ Michael Crichton,¹⁶⁵ Louis De

¹³⁹ See further Bettinger op cit note 14 at 1006-1011; Lindsay op cit note 9 ¶ [5.20.4].

¹⁴⁰ *Sheryl Crow v LOVEARTH.net* NAF Case No FA203208 (28 November 2003).

¹⁴¹ *Celine Dion v Jeff Burgar* WIPO Case No D2000-1838.

¹⁴² *Peter Frampton v Frampton Enterprises* WIPO Case No D2002-0141.

¹⁴³ *David Gilmour v Ermanno Ceniccola* WIPO Case No D2000-1459.

¹⁴⁴ *Experience Hendrix LLC v Denny Hammerton* WIPO Case No D2000-0364.

¹⁴⁵ *Utada Hikaru v Leonard Meng Lee* WIPO Case No D2007-0366.

¹⁴⁶ *Mick Jagger v Denny Hammerton* NAF Case No FA95261 (11 September 2000).

¹⁴⁷ *Tommy Lee v Netico, Inc* WIPO Case No D2005-0915.

¹⁴⁸ *Madonna Ciccone v Dan Parisi* WIPO Case No D2000-0857.

¹⁴⁹ *Van Morrison v Unofficial Club De Van Morrison* WIPO Case No D2002-0417.

¹⁵⁰ *Helen Flosade Adu known as SADE v Quantum Computer Services Inc* WIPO Case No D2000-0794.

¹⁵¹ *Robbie Williams v Howard Taylor* WIPO Case No D2002-0588.

¹⁵² *Gordon Sumner p/k/a Sting v Michael Urvan* WIPO Case No D2000-0596.

¹⁵³ *Isabella Adjani v Second Orbit* WIPO Case No D2000-0867. It appears that the complainant had, in terms of Swiss law, apart from unregistered rights in terms of United States trade-mark law, protectable rights akin to trade-mark rights in her name.

¹⁵⁴ *Pamela Anderson v Alberta Hot Rods* WIPO Case No D2002-1104.

¹⁵⁵ *Pierce Brosnan v Network Operations Center* WIPO Case No D2003-0519.

¹⁵⁶ *Billy Conolly v Anthony Stewart* WIPO Case No D2000-1549.

¹⁵⁷ *Carmen Electra aka Tara Leigh Patrick v Network Operations Center* WIPO Case No D2003-0852.

¹⁵⁸ *Lisa Guerrero v Whois Protection* WIPO Case No D2009-1055.

¹⁵⁹ *Gene Kelly Image Trust v BWI Domain Manager* WIPO Case No D2008-0342.

¹⁶⁰ *Nicole Kidman v Cupcake Party, John Zuccarini* WIPO Case No D2000-1415.

¹⁶¹ *Julia Fiona Roberts v Russel Boyd* WIPO Case No D2000-0210.

¹⁶² *Silvie Tomcalova aka Sylvia Saint v Global Access* WIPO Case No D2006-0399.

¹⁶³ *Jeffrey Archer v Alberta Hotrods* WIPO Case No D2006-0431.

¹⁶⁴ *Julian Barnes v Old Barn Studios Limited* WIPO Case No D2001-0121.

¹⁶⁵ *Dr Michael Crichton v Alberta Hot Rods* WIPO Case No D2002-0872.

- Bernieres,¹⁶⁶ Arthur Golden,¹⁶⁷ and Jeanette Winterson.¹⁶⁸
- Sport stars such as the American football player Dan Marino,¹⁶⁹ the tennis players Serena and Venus Williams,¹⁷⁰ the golfers Kip Kendall¹⁷¹ and Severiano Ballesteros,¹⁷² and the soccer players Jaap Stam,¹⁷³ Pierre van Hooijdonk,¹⁷⁴ Joe Cole¹⁷⁵ and Michael Owen.¹⁷⁶
 - The financial news anchor Maria Bartiromo,¹⁷⁷ news anchor Tucker Carlson,¹⁷⁸ television talk show host Larry King¹⁷⁹ and late night show host Jay Leno.¹⁸⁰

In contrast to the above categories, UDRP panels have expressed varying views, in essentially similar factual circumstances, as to whether business people,¹⁸¹ politicians,¹⁸² and religious leaders¹⁸³ can, in principle, acquire unregistered rights to their personal names.¹⁸⁴

¹⁶⁶ *Louis De Bernieres v Old Barn Studios Ltd* WIPO Case No D2001-0122.

¹⁶⁷ *Arthur Golden v Galileo Asesores SL* WIPO Case No 2006-1215.

¹⁶⁸ *Jeanette Winterson v Mark Hogarth* WIPO Case No 2000-0235.

¹⁶⁹ *Daniel C Marino Jr v Video Images Productions* WIPO Case No D2000-0598.

¹⁷⁰ *Venus and Serena Williams v Eileen White Byrne and Allgolfconsultancy* WIPO Case No D2000-1673.

¹⁷¹ *Jules I Kendall v Donald Mayer* WIPO Case No D2000-0868.

¹⁷² *Mr Severiano Ballesteros Sota Fairway SA and Amen Corner SA v Patrick Waldron* WIPO Case No D2001-0351.

¹⁷³ *Jaap Stam v Oliver Cohen* WIPO Case No D2000-1061.

¹⁷⁴ *Pierre van Hooijdonk v SBTait* WIPO Case No D2000-1068.

¹⁷⁵ *Joe Cole v Dave Skipper* WIPO Case No D2003-0843.

¹⁷⁶ *Michael James Owen v MSM Commercial Services* WIPO Case No D2006-0155.

¹⁷⁷ *Maria Bartiromo v 'Maria Bartiromo' and Dave Walton* WIPO Case No D2007-0242.

¹⁷⁸ *Tucker Carlson v Domain Privacy Ltd* WIPO Case No D2008-0474.

¹⁷⁹ *Larry King v Alberta Hot Rods* WIPO Case No D2005-0570.

¹⁸⁰ *Jay Leno v Garrison Hintz* WIPO Case No D2009-0569.

¹⁸¹ See, for example, *Harrods Ltd v Robert Boyd* WIPO Case No D2000-0060; *Steven Rattner v BuyThisDomainName* WIPO Case No D2000-0402; *Israel Harold Asper v Communication X Inc* WIPO Case No D2001-0540; *Chung, R E 'Ted' Turner and Ted Turner Film Properties LLC v Mazen Fahmi* WIPO Case No D2002-0251; *Chung Mong Koo v Individual* WIPO Case No D2005-1068; *Birgit Rausing, AB Tetra Pak v Darren Morgan* WIPO Case No D2008-0212; *Kotak Mahindra Bank Limited v Richard Brown* WIPO Case No D2008-0243.

¹⁸² See, for example, *Friends of Kathleen Kennedy Townsend v B G Birt* WIPO Case No D2002-0451; *Convergencia Democratica de Catalunya v ar Mas* WIPO Case No DTV2003-0005; *Hillary Rodham Clinton v Michele Dinoia* NAF Case No FA414641 (18 March 2005) and *Fields for Senate v Toddles Inc* WIPO Case No D2006-1510. For a more detailed discussion of political cybersquatting, see and Fox Angela 'It's not Just Dirty Tricks ... How Can Politicians Deal with Cybersquatters?' (2005) 173 *Trademark World* 20. Klein Sheldon H and Modzeleski David S 'Out of Options? The Battle Against Political Cybersquatting in the US' (2005) 173 *Trademark World* 18.

¹⁸³ See, for example, *The Reverent Dr Jerry Falwell v Gary Cohn* WIPO Case No D2002-0184; *Gene Edwards v David Miller* WIPO Case No D2003-0339; *Chinmoy Kumar Ghose v ICDSOFT.com, Maria Sliwa* WIPO Case No D2003-0248.

¹⁸⁴ For a more detailed discussion of establishing unregistered trade-mark rights in these categories, see Brown op cit note 112 at 70-79; Lindsay op cit note 9 ¶ [5.20.4].

(ii) Geographical Indications

Registrations that violate geographical indications, such as country or city names, for the reasons stated in the WIPO Final Report,¹⁸⁵ should not be considered abusive registrations for the purposes of the mandatory administrative procedure.

Geographical indications were consequently not specifically referred to in paragraph 4(a)(i) of the UDRP, as these indications were not deemed to be included within the definition of a trade or service mark for purposes of the UDRP.

The WIPO Second Report also addressed the registration of geographical indications as domain names. In the first instance, the compilers noted that the international trademark law framework did not readily apply to the use of geographical indications as domain names, as there is often no nexus between a domain name and goods. Secondly, the compilers drew attention to the fact that geographical indications are protected by a variety of national laws.¹⁸⁶

A UDRP complaint cannot succeed if it is based on a geographical indication, except, as with personal names, where the geographical indication is registered as a trade mark or is capable of protection as a common-law trade mark by virtue of its use in connection with specific goods or services. The WIPO Overview, which includes a crucial qualification regarding the issue of unregistered trade-mark rights to geographical indications, states the following:

‘The report of the Second WIPO Internet Domain Name Process declined to specifically extend protection to geographical terms under the UDRP. Some geographical terms however, can be protected under the UDRP, if the complainant has shown that it has

¹⁸⁵ WIPO Final Report ¶ [167] states:

‘[...] registrations that violate trade names, geographical indications or personality rights would not be considered to fall within the definition of abusive registration for the purposes of the administrative procedure. Those in favor of this form of limitation pointed out that the violation of trademarks (and service marks) was the most common form of abuse and that the law with respect to trade names, geographical indications and personality rights is less evenly harmonized throughout the world.’

See further *idem* ¶ [168]:

‘[...] There is evidence that this practice extends to the abuse of intellectual property rights other than trademarks or 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.’

¹⁸⁶ WIPO Second Report ¶¶ [244]-[245].

rights in the term and that the term is being used as a trade mark. Normally this would require the registration of the geographical term as a trademark. **However:** It is very difficult for the legal authority of a geographical area to show unregistered trademark rights in that geographical term on the basis of secondary meaning.¹⁸⁷

Unlike personal names that are registered as trade marks, including of a geographical indication as part of a registered trade mark, or having rights to a geographical indication as a registered trade mark in itself, creates serious difficulties. National trademark laws, in an effort not to create a monopoly in a specific geographical indication, have specific rules relating to geographical indications. These, in some or other form, usually do not allow the registration of marks that indicate geographical origin, unless the mark has acquired a secondary meaning, or has become distinctive through use.¹⁸⁸

Regardless of the unique and often peculiar way in which national jurisdictions deal with geographical indications registered in terms of their national laws, a registered geographical indication should in principle be sufficient to 'acquire rights in a mark' for the purposes of paragraph 4(a)(i) of the UDRP. However, UDRP panels have difficulty in finding a common approach as to how registered geographical indications should be treated.

Lindsay has argued that panels should always attempt to balance protecting the rights to a registered trade mark that includes a geographical indication, on the one hand, and ensuring that other persons remain able legitimately to use such a geographical indication, including using it as a domain name, on the other.¹⁸⁹ The preferred approach to achieving this balance is to deal with the scope of protection of a registered mark that includes a geographical indication by way of considering all three elements of paragraph 4(a) of the UDRP – whether the disputed domain name is confusingly similar to the registered mark, whether the respondent has rights or legitimate interests in the domain name, and whether the domain name has been registered and is being used

¹⁸⁷ WIPO Overview ¶ 1.5.

¹⁸⁸ See, for example, s 3(1)(c) of the Trade Marks Act (UK); see *Nordic Sauna's Trade Mark* [2002] ETMR and *SWISS MISS Trade Mark* [1998] RPC 889 (CA); see further Cornish William and Llewelyn David *Intellectual Property: Patents, Copyright, Trade Marks and Applied Rights* (2003) (5th ed) 666-668; s 41(6) of the Australian Trade Marks Act of 1995; the Lanham Act 15 USC § 1052(e)(2); see *Barcelona.com Inc v Excelentismo Ayuntamiento de Barcelona* 330 F3d 617 (4th Cir 2003); s 10(2)(b) of the Trade Marks Act (SA); see *Cambridge Plan AG v Moore* 1987 (4) SA 821 (D); Webster GC and Page NS *South African Law of Trade Marks* (4th ed) by Webster CE and Morley GE (2007 looseleaf) ¶ 3.44.

¹⁸⁹ Lindsay op cit note 9 ¶ [5.21.1].

in bad faith.¹⁹⁰ Although this approach has been adopted by a number of panels, it has not always yielded satisfactory results because of its incorrect application to the facts before the panels. For example, in *Excelentísimo Ayuntamiento de Barcelona v Barcelona.com Inc*,¹⁹¹ the panel held, incorrectly in my view, that the geographical indication 'Barcelona' was the distinctive part of the complainant's registered trade mark, and for this reason that the domain name *Barcelona.com* was confusingly similar to the registered mark.¹⁹² In *Kur- und Verkehrsverein St Moritz v StMoritz.com*,¹⁹³ the panel held that the complainant had rights to the geographical indication 'St Moritz', but concluded that the respondent, who provided information about St Moritz, had rights or legitimate interests in the domain name, and that the domain name was accordingly not registered and used in bad faith.¹⁹⁴ In *FC Bayern Munchen AG v Peoples Net Services Ltd*,¹⁹⁵ the panel found that the geographical indication 'Bayern München' had acquired a secondary meaning in connection with the German soccer club, whereas the respondent had no rights or interests in the domain names, which were registered and used in bad faith.¹⁹⁶

The preferred approach has, however, not found universal favour with UDRP panels: a number of panels found that the registration of a trade mark that includes a geographical indication is not sufficient to confer trade-mark rights to the geographical indication, for the purposes of paragraph 4(a)(i) of the UDRP.¹⁹⁷

¹⁹⁰ Ibid.

¹⁹¹ WIPO Case No D2000-0505.

¹⁹² This decision was subsequently set aside by the Court of Appeal for the Fourth Circuit in *Barcelona.com Inc v Excelentísimo Ayuntamiento de Barcelona* 330 F3d 617 (4th Cir 2003). See further Efroni Zohar 'A *Barcelona.com* Analysis: Toward a Better Model for Adjudication of International Domain Name Disputes' (2004) 14 *Fordham Intellectual, Media and Entertainment LJ* 31; Owens Ryan R 'Domain Name Dispute Resolution After *Sallen v Corinthians Licenciamentos* and *Barcelona.com, Inc v Excelentísimo Ayuntamiento De Barcelona*' (2003) 18 *Berkeley Tech LJ* 257.

¹⁹³ WIPO Case No D2000-0617.

¹⁹⁴ For a similar decision, see *Commune of Zermatt and Zermatt Tourismus v Activelifestyle Travel Network* WIPO Case No D2007-1318 (concerning the domain name 'zermatt.com').

¹⁹⁵ WIPO Case No D2003-0406.

¹⁹⁶ See also *Skipton Building Society v Peter Colman* WIPO Case No D2000-1217; *Brisbane City Council v Warren Bolton Consulting Pty Ltd* WIPO Case No D2001-0047; *BAA plc, Aberdeen Airport Limited v Mr H Hashimi* WIPO Case No D2004-0717; *Angus Sholto-Douglas v Sergey Fedorov* WIPO Case No D2006-1184.

¹⁹⁷ For example, *Brisbane City Council v Joyce Russ Advertising Pty Ltd* WIPO Case No D2001-0069 (concerning the domain name 'brisbane.com'); *Neusiedler Aktiengesellschaft v Vinayak Kulkarni* WIPO Case No D2000-1769 (concerning the domain name 'neusiedler.com'); *Chambre de Commerce et d'Industrie de Rouen v Marcel Stenzel* WIPO Case No D2001-0348 (concerning the domain names 'rouen.com' and 'rouen.net').

Although it is not entirely impossible for a geographical indication to be clothed with unregistered trade-mark rights, and although not all geographical indications are excluded from protection under the UDRP as a matter of principle, it is true that complainants under the UDRP were successful in only a limited number of cases in which geographical indications formed the basis of the dispute. As stated in the WIPO Overview,¹⁹⁸ it is very difficult for the legal authority of a geographical area to show unregistered trade-mark rights to the relevant geographical term on the basis of a secondary meaning. Geographically descriptive terms, rarely, if ever, acquire a secondary meaning that will be sufficient to overcome their public recognition as a common name of a place or region.¹⁹⁹

The following examples of panel decisions concerned unregistered rights to names that include geographical indications. In all of them the complainants failed to prove the acquisition of trade-mark rights through the use of the relevant geographical indication:

- Country names: *Consejo de Promoción Turística de México v Latin America Telecom Inc*,²⁰⁰ *Puerto Rico Tourism Company v Virtual Countries Inc*,²⁰¹ *Land Sachsen-Anhalt v Skander Bouhaouala*,²⁰² *Her Majesty the Queen, in Right of Her Government in New Zealand v Virtual Countries Inc*.²⁰³
- City names: *Manchester Airport PLC v Club Club Limited*,²⁰⁴ *Wembley National Stadium Limited v Tim Gordon*,²⁰⁵ *City of Heidelberg v Rosanne Clark*,²⁰⁶ *Empresa Municipa Promoción Madrid SA v Easylink Services Corporation*,²⁰⁷ *Chambre de Commerce et d'Industrie de Rouen v Marcel Stenzel*,²⁰⁸ *Port of Helsinki v Paragon International Projects Ltd*,²⁰⁹ *Brisbane City Council v Warren Bolton Consulting Pty*

¹⁹⁸ See in text above.

¹⁹⁹ See *The Paris Pages v Woohoo T&C Ltd* NAF Case No FA110763 (10 July 2002); Lindsay op cit note 9 ¶ [5.21.2].

²⁰⁰ WIPO Case No D2004-0242.

²⁰¹ WIPO Case No D2002-1129.

²⁰² WIPO Case No D2002-0273.

²⁰³ WIPO Case No D2002-0754; see further Marx op cit note 6 at 119-120.

²⁰⁴ WIPO Case No D2000-0638.

²⁰⁵ WIPO Case No D2000-1218.

²⁰⁶ WIPO Case No D2001-1500.

²⁰⁷ WIPO Case No D2002-1110.

²⁰⁸ WIPO Case No D2001-0348.

²⁰⁹ WIPO Case No D2001-0002.

Ltd,²¹⁰ *Ethekwini Municipality v Domain Strategy Inc*,²¹¹ *City of Salinas v Baughn*,²¹² *City of Lake Worth v John C Becker Inc*,²¹³ *Keystone Publishing Inc v UtahBrides.com*,²¹⁴ *Traditional Tuscany v Maria Concetta de Concini*,²¹⁵ and *Gobierno de Asturias v Diego Miras Silva*.²¹⁶

- Other geographical indications like names of regions and locality names: *Neusiedler Aktiengesellschaft v Vinayak Kulkarni*,²¹⁷ *Valdifiemme.ir srl v Paolo Alzalamira/Fenix Lab srl*,²¹⁸ *Teollisuuden Voima Oy v Jarno P Vastamäki*,²¹⁹ *Maui Land and Pineapple Co Inc and Kapalua Land Co Ltd v Sullivan Properties Inc*,²²⁰ and *Patronal de Turisme Costa Brava Girona v Daniel Bosh*.²²¹

It is, however, substantially easier to establish a secondary meaning in a mark if a geographical indication is part of a collective or composite mark that includes other terms, such as generic terms.²²² In these cases complainants must adduce sufficient evidence that a name has become distinctive in the required sense before panels will find that a complainant had unregistered rights to a name for the purposes of paragraph 4(a)(i) of the UDRP.

The complainants in the following decisions were successful with their claims in terms of the UDRP, as the panels found that the complainants had actually acquired common-law rights even though the name included a geographical indication: *Sydney Markets Limited v Nick Rakis*,²²³ *BAA plc, Aberdeen Airport Limited v Mr H Hashimi*,²²⁴ *Sydney Airport Corporation v John Crilly*,²²⁵ and *Generalitat de Catalunya v Thomas Wolf*.²²⁶

²¹⁰ WIPO Case No D2001-0047.

²¹¹ WIPO Case No D2002-0204.

²¹² NAF Case No FA97076 (4 June 2001).

²¹³ WIPO Case No D2003-0576.

²¹⁴ WIPO Case No D2004-0725.

²¹⁵ WIPO Case No D2006-0997.

²¹⁶ WIPO Case No D2007-1392.

²¹⁷ WIPO Case No D2000-1769.

²¹⁸ WIPO Case No D2002-0149.

²¹⁹ WIPO Case No D2001-0321.

²²⁰ NAF Case No FA95544 (6 November 2000).

²²¹ WIPO Case No D2007-0566.

²²² For example, 'capetowngolf' or 'gautengartgallery'.

²²³ WIPO Case No D2001-0932.

²²⁴ WIPO Case No D2004-0717.

²²⁵ WIPO Case No D2005-0989.

²²⁶ WIPO Case No D2002-0273. For further detailed discussion of the protection of geographical indications in terms of the UDRP, see Bettinger op cit note 14 at 1015-1028; Lindsay op cit note 9 ¶ [5.21];

3.1.2 Identity and Confusing Similarity Between a Trade Mark and a Domain Name

As I indicated above, the first precondition in paragraph 4(a)(i) of the UDRP is the existence of rights to a trade or service mark. The second precondition is that the disputed domain name is identical or confusingly similar to the trade or service mark in which the complainant has rights. The wording of the second precondition is consistent with that of national trade-mark laws, the main aim of which is to protect trade marks as indications of the source of goods or services, and, to some extent, the quality of particular goods or services, through the prohibition of the registration of marks that would create confusion as to the source of the mark, or the prohibition of the use of a mark that will create confusion with a trade mark. These national trade-mark laws use certain tests for comparing marks for purposes of registration or determining if a trade mark has been infringed or not.²²⁷

For example, in the United Kingdom, an overall assessment is made to determine the likelihood of confusion by taking into account all the relevant circumstances of the case which include; how similar the marks sound, look and are perceived; the overall impression provided by the marks with an appreciation of the distinctive and dominant components of the marks;²²⁸ the goods to which the marks are applied, as well as the nature and kind of customer who would be likely to buy the goods. Subsequent to the consideration of all the relevant circumstances it must be considered what the likely outcome is if each of the trade marks is used as a trade mark for the goods or services of the respective owners of the marks.²²⁹ In the United Kingdom marks will be considered to be likely to cause confusion for infringement purposes if, on seeing the defendant's mark, the registered trade mark is 'called to mind' by a customer.²³⁰

Unni V K *Trade Marks and the Emerging Concepts of Cyber Property Rights* (2002) 202-207. See, also, generally, Bentley L and Sherman B 'The Impact of European Geographical Indications on National Rights in Member States' (2006) 96 *Trademark Reporter* 901.

²²⁷ For a detailed discussion of the comparison of marks under various national laws, see Lindsay op cit note 9 ¶ [5.23].

²²⁸ *Sabel v Puma* [1997] ECR I-6191; see Cornish and Llewelyn op cit n 188 at 685; Bentley and Sherman op cit n 92 at 867-869 for discussions of the *Sabel v Puma* decision.

²²⁹ *Pianotist's Application* (1906) 23 RPC 774 at 777; see for a discussion of the factors in the comparison, Cornish and Llewelyn op cit note 188 at 685-687; Bentley and Sherman op cit note 92 at 871-876.

²³⁰ *Wagamama Ltd v City Centre Restaurants plc* [1995] FSR 713; see Webster and Page op cit note 188 ¶ 12.5.2.

In South Africa, a test similar to that employed in the United Kingdom is used. In *Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd*,²³¹ the then Appellate Division stated:

‘The concept of deception or confusion is not limited to inducing in the minds of interested persons the erroneous belief or impression that the goods in relation to which the defendant’s mark is used are the goods of the proprietor of the registered mark, ie the plaintiff, or that there is a material connection between the defendant’s goods and the proprietor of the registered mark; it is enough for the plaintiff to show that a substantial number of persons will probably be confused as to the origin of the goods or the existence or non-existence of such a connection.’²³²

And –

‘[t]he determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant’s mark would make upon the average type of consumer who would be likely to purchase the kind of goods to which the marks are applied. This notional customer must be conceived of as a person of average intelligence, having proper eyesight and buying with ordinary caution. This comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against the background of the relevant circumstances. The marks must not only be considered side by side but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant’s mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impression or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed ...’²³³

The UDRP, by contrast, was not designed, nor intended, to prevent trade-mark infringement in the traditional sense. The intention of the UDRP is narrow in scope – to address only the abusive, bad-faith registration of trade marks as domain names.

Although the UDRP does not contain any express explanation of how the phrase ‘domain name is identical or confusingly similar to a trademark or service mark’ should be construed for the purposes of paragraph 4(a)(i) of the UDRP, it should not be

²³¹ 1984 (3) SA 623 (A).

²³² At 640.

²³³ At 640-641; the test as formulated in the *Plascon-Evans* case decided in terms of the repealed South African Trade Marks Act 62 of 1963 have been adopted and accepted for purposes of Trade Marks Act (SA) op cit note 188 in the decisions of *PPI Makelaars v Professional Provident Society* 1998 (1) SA 595 (SCA) 602G-603D; *National Brands Limited v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA) 567D; *Triomed (Pty) Ltd v Beecham Group plc* 2001 (2) SA 522 (T) 546B-J; *Bata Ltd v Face Fashions CC* 2001 (1) SA 844 (SCA) 850C-E; see further Webster and Page op cit note 188 ¶ 12.8.2.

construed to require the likelihood of confusion test in the traditional trade-mark sense.²³⁴ Deciding claims of trade-mark infringement, dilution, unfair competition, or other forms of statutory or common-law causes of action is obviously not something that a UDRP panel has the jurisdiction, or the capacity, to do: these causes of action require not only a detailed legal analysis but also an extensive scrutiny of the facts, something which the UDRP proceedings were not designed to accommodate.²³⁵

The intention of paragraph 4(a)(i) of the UDRP, specifically, and the intention of the UDRP, generally, is not to determine whether the use of a domain name infringes a complainant's trade mark, but whether a respondent's domain name is sufficiently similar to a complainant's mark for a panel to find that the registration of the domain name is an abusive, bad-faith registration. The aim of the comparison to be undertaken for the purposes of the second precondition of paragraph 4(a)(i) is consequently simply to establish a minimum criterion to determine whether a domain name is sufficiently similar to the complainant's mark to support a finding of abusive registration.²³⁶ The UDRP is narrow in scope: even though it protects trade-mark proprietors against bad faith conduct, the UDRP operates outside traditional trade-mark policy in a number of important ways. Particularly, the UDRP does not necessarily prevent consumer confusion or dilution in the traditional trade-mark sense. Rather, it preserves commercial interests in trade marks against the relatively recent and problematic phenomenon of bad-faith cybersquatting activities.²³⁷

UDRP panel decisions, however, illustrate a number of different approaches to the comparison required for the purposes of determining identity or confusing similarity, in terms of paragraph 4(a)(i) of the UDRP. A number of panel decisions favour inappropriate approaches based upon the likelihood of confusion tests in the traditional trade-mark sense.²³⁸ These panels consequently determine the likelihood of confusion in view of the distinctive character of the trade mark in question, how similar the domain

²³⁴ See *Wachovia Corporation v Alton Flanders* WIPO Case No D2003-0596, in which the panel stated that proof of trade-mark infringement is not the same as proof of the second precondition under the UDRP.

²³⁵ *Bridgestone Firestone Inc v Jack Myers* WIPO Case No D2000-0190.

²³⁶ See Lindsay *op cit* note 9 ¶ [5.25].

²³⁷ See Lipton Jacqueline D 'Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy' (2005) 40 *Wake Forest LR* 1361 at 1371.

²³⁸ See, for example, *Wal-Mart Stores Inc v Walsucks and Walmarket Puerto Rico* WIPO Case No D2000-0477; *Grand Bay Management Company v Allegory Investments* WIPO Case No D2001-0874; *Sallie Mae Inc v Michele Dinoia* WIPO Case No D2004-0648.

name is to the trade mark, and how similar the goods or services offered under the trade mark are to the goods or services offered on the web site linked to the domain name. These panels improperly blur the line between a comparison under trade-mark laws for purposes of the prohibition of the registration of identical or confusing marks, or for purposes of determining infringement, on the one hand, and a comparison for the purposes of paragraph 4(a)(i) of the UDRP.

In their examination of the likelihood of confusion, these panels have incorrectly relied too heavily on a number of American decisions, most notably *AMF Inc v Sleekcraft Boats*,²³⁹ in which the Court for the Ninth Circuit listed eight factors to test the likelihood of confusion.²⁴⁰ These 'Sleekcraft factors' are: (a) the strength of the mark; (b) the proximity of the goods; (c) the similarity of the marks; (d) the evidence of actual confusion; (e) the marketing channels used; (f) the type of goods, and the degree of care likely to be exercised by the purchaser; (g) the defendant's intent in selecting the mark; and (h) the likelihood of expansion of the product lines.

Similarly based on American trade-mark principles concerning similarity is the doctrine that it is sufficient that a likelihood of confusion leads to 'initial interest confusion' – consumer confusion about an association with the source of a registered trade mark, because of the similarity of an allegedly infringing mark to the registered mark, even though consumers may not be confused when they buy the goods. In a domain-name context, initial interest confusion connotes the confusion that results from the fact that Internet users who want to access a particular web site is led to the domain-name registrant's web site, as the domain name is identical or similar to the third-party trade mark, although the Internet user may instantly realise when he accesses the web site that the site is not the site of the trade-mark proprietor's that he wanted to access. In an Internet context, this form of confusion is particularly relevant, as actionable confusion can arise from the mere use of a domain name, despite the fact that the confusion is later dissipated when an Internet user accesses the web site.²⁴¹

²³⁹ 599 F 2d 341 (9th Cir 1979).

²⁴⁰ Notably, *Wal-Mart Stores Inc v Walsucks and Walmarket Puerto Rico* WIPO Case No D2000-0477; *Diageo plc v John Zuccarini* WIPO Case No D2000-0996.

²⁴¹ See Lindsay op cit note 9 ¶ [5.25].

A number of early American court decisions in which domain names were at issue have actually applied the initial interest confusion doctrine to the registration of a similar domain name, and found that the particular domain name will attract Internet users to a web site, even though the confusion may dissipate as soon as the site is accessed.²⁴²

The application of the initial interest confusion doctrine have, unfortunately, spilt over into UDRP decision making, in that some panels have regarded as sufficient, for the purposes of paragraph 4(a)(i) of the UDRP, a likelihood of initial interest confusion.²⁴³

The UDRP is not a source of trade-mark law and does not deal directly with trade-mark infringement. Principles of trade-mark law and associated doctrines, especially that of one particular national jurisdiction (such as initial interest confusion), should not be incorporated into the UDRP without qualification.

An alternative view, favoured by the majority of UDRP panels, is not to balance the various factors of the likelihood of confusion analysis, but simply to compare the disputed domain name with the complainant's trade mark. The test for confusing similarity under the UDRP is, unlike in trade-mark or unlawful competition cases, accordingly confined to a consideration of the relevant domain name and trade mark. The majority of panels accordingly favour a 'literal comparison' approach, justified by the panelist Bradley J Freedman for the following reasons:

'A number of considerations support the view that the appropriate test for confusing similarity under the Policy is a literal comparison of the challenged domain name and the conflicting mark:

²⁴² See *Planned Parenthood Federation of America Inc v Bucci* 152 F 3d 920 (2nd Cir 1998); *Brookfield Communications Inc v West Coast Entertainment Corp* 174 F 3d 1036 (9th Cir 1999); *Interstellar Starship Services Ltd v Epix Inc* 304 F 3d 936 (9th Cir 2002). For a detailed analysis on the use of the initial interest confusion test in the Internet context, see Bakken Erlend 'Unauthorized Use of Another's Trademark on the Internet' (2003) 57 *UCLA Journal of Law and Technology* 3; Handy John 'Why the Initially Confused Should Get a Clue: The Battle Between Trademark Infringement and Consumer Choice Online' (2005) 16 *Fordham Intellectual Property, Media and Entertainment LR* 567; Joe Ted K 'Confusion on the Information Superhighway' (2003) 8 *Intellectual Property Law Bulletin* 20; Maynard Bryce J 'The Initial Interest Confusion Doctrine and Trademark Infringement on the Internet' (2000) 57 *Washington and Lee Law Review* 1303; Rothman Jennifer E 'Initial Interest Confusion: Standing at the Crossroads of Trademark Law' (2005) 27 *Cardozo LR* 105.

²⁴³ See, for example, *Volvo Trademark Holding AB v e-motordealer Ltd* WIPO Case No D2002-0036; *OfficeMax Inc v Yong Li* WIPO Case No D2003-0060; *Six Continents Hotels, Inc v Hotel Partners of Richmond* WIPO Case No D2003-0222; *Ice House America LLC v Ice Igloo Inc* WIPO Case No D2005-0649.

- (1) The language of Policy paragraph 4(a) should be interpreted in a purposive manner consistent with the Policy's remedial nature and objective – to prevent the extortionate behavior known as 'cybersquatting'.
- (2) The language of the Policy paragraph 4(a) does not invoke a likelihood of confusion test, as contrasted with Policy paragraph 4(b)(iv), which expressly refers to a 'likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of [the registrant's] website or location or of a product or service on [the registrant's] website or location as an indication of bad faith domain name registration and use.
- (3) The Policy is international and, in the absence of express language, it is inappropriate to import into Policy paragraph 4(a) a test that may not exist under all national trademark laws.
- (4) The procedure contemplated by the Policy is not well suited to the kinds of factual issues presented by a conventional source confusion analysis. In particular, the Policy is intended to be a relatively quick and inexpensive process, panels must make factual determinations based upon written submissions and documentary evidence, complainants have no right to reply without the panel's permission, and parties are not often represented by counsel.²⁴⁴

Although the majority of panels agree that the comparison in terms of the UDRP should focus on the disputed domain name and the complainant's trade mark (thus a literal comparison), there is still some disagreement as to whether issues relating to source confusion in a trade-mark context should be considered if they are relevant in the online context. Some panels believe that a strict literal comparison is required.²⁴⁵ They agree, essentially, for the purposes of comparison in terms of the UDRP, with the formulation of the literal comparison approach as set out in *Magnum Piering Inc v The Mudjackers*.²⁴⁶

'Under the Policy, the question of identity and confusing similarity is evaluated solely on the comparison between a complainant's word mark and the alphanumeric string constituting the domain name at issue. Other considerations taken into account by US trademark law may properly be addressed at other stages of the analysis (such as factors that bear on a registrant's legitimate interests or bad faith), but they are not dispositive with respect to the analysis of the first UDRP factor.'

Other panels, although in favour of the literal comparison approach, have not applied it strictly, in that they believe that source confusion may be relevant to a comparison in terms of paragraph 4(a)(i) of the UDRP in certain circumstances, and that a different approach

²⁴⁴ See *Bradford and Bingley Plc v Registrant info@fashionID.com 987654321* WIPO Case No D2002-0499; *Bayerische Motoren Werke AG v (This Domain Is for Sale) Joshuathan Investments Inc* WIPO Case No D2002-0787; *The Evening Store.com Inc v Henry Chan* WIPO Case No D2004-0572; *Bellsouth Intellectual Property Corporation v Alvaro Collazo* WIPO Case No D2004-0572; *Las Vegas Sands LLC v Full Spiral-NSW* WIPO Case No 2006-0981; *SoftCom Technology Consulting Inc v Olariu Romeo/Orv Fin Group SL* WIPO Case No D2008-0792; *F Hoffmann-La Roche AG v P Martin* WIPO Case No D2009-0323.

²⁴⁵ See, for example, *A and F Trademark Inc v Party Night* WIPO Case No D2003-0172; *Lebanon Valley College v BDC Partners Inc* NAF Case No FA703608 (3 July 2006).

²⁴⁶ WIPO Case No D2000-1525.

to the comparison will then be required. For example, in *Wal-Mart Stores Inc v Traffic Yoon*,²⁴⁷ the panel found that some of the factors relevant to a trade-mark comparison are relevant to, but not determinative of, confusing similarity under the UDRP:

‘... this Panel does not agree that the *Sleekcraft* test of ‘likelihood of confusion’ of goods bearing one trade mark with another trade mark is or should be the identical test for “confusing similarity” under the Policy, although some of the factors enumerated in *Sleekcraft* are useful for determining confusing similarity between a trade mark and a domain name’.²⁴⁸

Donahey similarly discerns two different doctrinal approaches to determining whether a domain name is confusingly similar to the complainant’s trade mark.²⁴⁹ He distinguishes between an objective and a subjective test. In terms of the objective test, confusion exists if a trade mark is part of a domain name regardless of the added letters or words. The subjective test, in turn, considers the actual likelihood of confusion between the trade mark and the domain name, in, for example, ‘typosquatting’²⁵⁰ cases. Donahey prefers the use of the objective test, as the subjective approach is used during the evaluation for purposes of paragraph 4(a)(ii) and (iii) of the UDRP.²⁵¹

A comparison for the purposes of paragraph 4(a)(i) of the UDRP is, in the end, not to determine whether there is source confusion between the domain name and the complainant’s trade mark, but rather to determine whether there is sufficient similarity in order for it to be said that the registration of the domain name amounts to an abusive, bad-faith registration. Although the potential confusion between the domain name and the complainant’s mark may be relevant to determining similarity, one should always remember that confusion in this context does not mean that the domain name is acting as a mark in the traditional trade-mark sense.

²⁴⁷ WIPO Case No D2006-0812.

²⁴⁸ See also *Dixons Group Plc v Mr Abu Abdullaah* WIPO Case No D2000-1406; *America Online Inc v Johuathan Investments Inc* WIPO Case No D2001-0918; *Wal-Mart Stores Inc v xc2* WIPO Case No D2006-0811.

²⁴⁹ See Donahey M Scott ‘Divergence in the UDRP and the Need for Appellate Review’ (2002) 5 *J of Internet Law* 10.

²⁵⁰ ‘Typosquatting’ connotes the situation where advantage is taken of common misspellings of words made by Internet users who want to locate a particular site of a particular provider of goods or services, with the intent of deriving some form of benefit therefrom *Expedia Inc v Alvaro Collazo* WIPO Case No D2003-0716; Bettinger op cit note 14 at 1036; Freedman Bradley J and Deane Robert J C ‘Trade-Marks and the Internet: A Canadian Perspective’ (2001) 32 *Univ of British Columbia LR* 345 at 387; Lindsay op cit note 9 ¶ [5.34].

²⁵¹ For a more detailed discussion of the two doctrinal approaches, see Diégues Juan Pablo Cortés ‘An Analysis of the UDRP Experience – Is It Time for Reform?’ (2008) 24 *Computer Law and Security Report* 349 at 351.

Panels are also not in a position to undertake the complex exercise of source comparison, especially as it is done in terms of American trade-mark law. The UDRP and its procedures do not allow for a detailed analysis and extensive scrutiny of the facts as undertaken by the courts, where extensive discovery, expert testimony, cross examination, and fewer time constraints make it possible to determine in much more detail and with a greater degree of certainty aspects as reflected in, for example, the 'Sleekraft factors' mentioned above, in conducting the complex exercise of source comparison.

Although fundamental questions remain regarding the exact nature of the comparison that needs to be made between a domain name and the complainant's trade mark for there to be confusing similarity in terms of paragraph 4(a)(i) of the UDRP, the most appropriate approach seems to be the literal comparison approach favoured by most UDRP panels.²⁵²

To return to the literal comparison approach, then, panels following this approach essentially need only consider the relevant domain name and trade mark themselves, and accordingly need not weigh various factors that could be relevant to a trade-mark likelihood of confusion analysis.²⁵³ The content of a web site associated with the disputed domain name is, for example, irrelevant to determining whether the disputed domain name and the complainant's trade mark are confusingly similar for the purposes of paragraph 4(a)(i) of the UDRP. The WIPO Overview states:²⁵⁴

'The content of a website (whether it is similar or different to the business of a trademark owner) is irrelevant in the finding of confusing similarity. This is because trademark holders often suffer from 'initial interest confusion', where a potential visitor does not immediately reach their site after typing in a confusingly similar domain name, and is then exposed to offensive or commercial content. The test for confusing similarity should be a comparison between the trademark and the domain name to determine the likelihood of confusion.'²⁵⁵

²⁵² Lindsay op cit note 9 ¶ [5.26].

²⁵³ Jones Stephen 'A Child's First Steps: The First Six Months of Operation – the ICANN Dispute Resolution Procedure for Bad Faith Registration of Domain Names' [2001] 2 *EIPR* 66 at 71.

²⁵⁴ WIPO Overview ¶ 1.2. Examples of panels that have held that the content of a web site is relevant to determining confusing similarity in terms of the UDRP are *Arthur Guinness Son and Co (Dublin) Limited v Dejan Macesic* WIPO Case No D2000-1698; *Dixons Group Plc v Mr Abu Abdullaah* WIPO Case No D2000-1406; *AT and T Corporation v Amjad Kausar* WIPO Case No D2003-0327; *Asset Loan Co Pty Ltd v Gregory Rogers* WIPO Case No D2006-0300; *SENSIS Pty Ltd v Kevin Goodall* WIPO Case No D2006-0793.

²⁵⁵ The contents of a web site may be relevant to determining whether a respondent has rights or legitimate interests in a disputed domain name in terms of paragraph 4(a)(ii) of the UDRP, as I shall show below.

Also, other factors considered as part of the traditional likelihood of confusion analysis should similarly not be considered in the present context. These factors include the products for which the domain name is used,²⁵⁶ the circumstances accompanying the use (such as the presence of disclaimers),²⁵⁷ the existence of third-party rights,²⁵⁸ and the use of the domain name to redirect users to other web sites.²⁵⁹ These factors may, however, be relevant to the existence of the respondent's rights or legitimate interests, in terms of paragraph 4(a)(ii), or bad faith, in terms of paragraph 4(a)(iii) of the UDRP.²⁶⁰

The following select examples of panel decisions highlight the main approaches of UDRP panels to the examination of confusing similarity for the purposes of paragraph 4(a)(i) of the UDRP, in a number of relevant categories:

The addition or removal of numbers or letters will, generally, not avoid confusing similarity. In *Toyota Jidosha Kabushiki Kaisha v S & S Enterprises Ltd*,²⁶¹ the addition of only the letters 'i' and 's' to the disputed domain names did not avoid the finding that the domain name was confusingly similar to the complainant's mark. In *Union des associations europeennes de football (UEFA) v Chris Hallan*²⁶² and *Utilikilts Company LLC v Registrant info@fashionid.com 25255532*,²⁶³ the addition of numbers to the complainants' trade marks similarly did not avoid confusing similarity.²⁶⁴

²⁵⁶ See *CDL Hotels International Ltd v Kannet Limited* WIPO Case No D2000-0959; *Motorola Inc v New Gate Internet Inc* WIPO Case No D2000-0079; *Sydney Markets Limited v Nick Rakis, Shell Information Systems* WIPO Case No D2001-0932; *Harry Winston Inc and Harry Winston SA v Jennifer Katherman* WIPO Case No D2008-1267.

²⁵⁷ See *Las Vegas Sands Inc v The Sands of the Caribbean* WIPO Case No D2001-1157; *CIMCities LLC v Atonce Americans Specialists* WIPO Case No D2001-0449.

²⁵⁸ *Marvel Manufacturing Company Inc v Koba Internet Sales LP* WIPO Case No D2008-0265.

²⁵⁹ See further *Banconsumer Service Inc v Mary Langthorne, Financial Advisor* WIPO Case No D2001-1367; *Kirkbi AG v Dinoia* WIPO Case No D2003-0038; *Future Media Architects Inc v Oxado SARL* WIPO Case No D2006-0729; *Lyonnaise de Banque v Richard J* WIPO Case No 2006-0142; *Aquascape Designs Inc v Vertical Axis Inc* NAF Case No FA629222 (7 March 2006); *Seiko Epson Corporation and Epson America Inc v AOS Web Com Inc* NAF Case No FA823033 (27 November 2006).

²⁶⁰ See Bettinger op cit note 14 at 1035.

²⁶¹ WIPO Case No D2000-0802; see also *Bank for International Settlements v BIS* WIPO Case No D2003-0986 and *Intuit Inc v NOLDC Inc* WIPO Case No D2006-1217 (the fact that the plural 's' was not included in the domain name did not dispel confusing similarity). The same result was reached more recently in *City Views Limited v Moniker Privacy Services/Xander, Jeduyu ALGEBRALIVE* WIPO Case No D2009-0643 and *StreetPrices.com Inc v Nett Corp* NAF Case No FA1280020 (10 November 2009).

²⁶² WIPO Case No D2001-0717 ('uefa2004' and UEFA).

²⁶³ WIPO Case No D2002-0712 ('EMI1897' and 'EMI').

²⁶⁴ For similar decisions in which numbers were added to the complainant's trade mark, see *Microsoft Corporation v J Holiday Co* WIPO Case No D2000-1493; *Louis Vuitton Malletier v Me* WIPO Case No 2000-0721; *RRI Financial Inc v Ray Chen* WIPO Case No D2001-1242; *Verio Inc v Sunshinehh* WIPO

The addition of generic or descriptive terms, generally, has no determining influence on finding confusing similarity. For example, in *Britannia Building Society v Britannia Fraud Prevention*,²⁶⁵ the panel held that as the words added, 'building society', were generic, the domain name was confusingly similar to the mark. In *Ansell Healthcare Products Inc v Australian Therapeutics Supplies Pty Ltd*,²⁶⁶ the panel similarly held that the addition of the generic term 'condoms' did nothing to avoid confusion.²⁶⁷ The addition of 'Internet' specific generic terms (such as 'online',²⁶⁸ 'download',²⁶⁹ 'www',²⁷⁰ and '.com'²⁷¹) is likewise not distinctive enough to avoid a finding of confusing similarity. Confusing similarity was also found in many cases in which descriptive terms were added to the complainant's mark, such as 'customer' to the trade mark DELL,²⁷² 'autoparts' to PORSCHE,²⁷³ 'finance' to ALLIANZ,²⁷⁴ 'muscle' to PRO NATURAL,²⁷⁵ and 'harassment' to GREENBERG TRAUERIG²⁷⁶ (the panel held that 'harassment' could be descriptive of the complainant, a New York law firm specialising in employment law).

The overall impression of the distinguishing capacity of a mark is not changed by adding a geographical indication.²⁷⁷

Domain names that intentionally take advantage of common misspellings of distinctive or famous trade marks by Internet users (known as 'typosquatting') have unsurprisingly

Case No D2003-0255; *International Organization for Standardization ISO v Capaccio Environmental Engineering Inc* WIPO Case No D2006-1190.

²⁶⁵ WIPO Case No D2001-0505.

²⁶⁶ WIPO Case No D2001-0110.

²⁶⁷ For similar decisions in which generic terms were added to the complainant's trade mark, see *America Online Inc v East Coast Exotics* WIPO Case No D2001-0661; *Revlon Consumer Products Corporation v Brandy Farris* WIPO Case No D2003-0291; *Gerber Products Company v LaPorte Holdings* WIPO Case No D2005-1277; *Red Bull GmbH v PREGIO Co, Ltd* WIPO Case No D2006-0909.

²⁶⁸ *F Hoffman-La Roche AG v George McKennitt* WIPO Case No D2005-1057.

²⁶⁹ *Sharman License Holdings Ltd v Domains at Fabulous* WIPO Case No D2004-0915.

²⁷⁰ *Reuters Limited v Global Net 2000 Inc* WIPO Case No D2000-0441.

²⁷¹ *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642.

²⁷² *Dell Computer Corporation v Diabetes Education Long Life – DELL* WIPO Case No D2002-0363.

²⁷³ *DR Ing H c F Porsche AG v Vasily Terkin* WIPO Case No D2003-0888.

²⁷⁴ *Allianz of Am Corporation v Bond NAF* Case No FA680624 (2 June 2006).

²⁷⁵ *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642.

²⁷⁶ *Greenberg Traurig LLP and Greenberg Traurig of New York PC and Greenberg Traurig PA v Louis Zweifach* NAF Case No FA1271922 (13 August 2009).

²⁷⁷ *Yahoo! Inc v Eitan Zviely* WIPO Case No D2000-0273 (the city names 'Boston' and 'Atlanta' added to the 'YAHOO' trade mark); *Canon USA Inc, Astro Business Solutions Inc, and Canon Information Systems Inc v Richard Sims* WIPO Case No D2000-0819 ('USA' added to the 'CANON' trade mark); see further Bettinger op cit note 14 at 1038.

been found to be confusingly similar to a complainant's misspelled trade mark.²⁷⁸ But care should be taken that the addition or deletion of a single letter is not always construed to indicate confusing similarity, as many legitimate words may differ from other words only by a limited number of letters.²⁷⁹ The extent to which the spelling of a domain name differs from the spelling of a complainant's trade mark should be considered as part of the general enquiry into confusing similarity.²⁸⁰ If there is room for doubt regarding the question whether a domain name that exhibit only minor differences from the complainant's trade mark is confusingly similar to the trade mark, the degree of distinctiveness of the trade mark may be taken into account.²⁸¹ A substantial number of UDRP decisions dealt with 'typosquatting' of which the following are a selection of examples in which the domain name was found to be confusingly similar to the trade mark: the domain name 'wallstreetjournal.com' to 'THE WALL STREET JOURNAL' trade mark;²⁸² the domain name 'googld.com' to the 'GOOGLE' trade mark;²⁸³ a number of domain names including the 'karzaa.com' and 'kezaa.com' to the trade mark 'KAZAA'²⁸⁴ and the domain name 'amazoh.com', to the trade mark 'AMAZON'.²⁸⁵

(i) Gripe Sites

The question as to whether the addition of a pejorative term such as 'sucks', 'ihate', 'fraud', and 'fuck', to the trade mark of the complainant to create so-called gripe site domain names, prevents a finding of confusing similarity between the registered domain name and the trade mark for the purposes of paragraph 4(a)(i) of the UDRP, does not receive a uniform answer from UDRP panels.

²⁷⁸ Lindsay op cit note 9 ¶ [5.34].

²⁷⁹ *Dell Computer Corp v Clinical Evaluations* WIPO Case No D2002-0423.

²⁸⁰ *Sharman License Holdings Limited v Icedlt.com* WIPO Case No D2004-0713.

²⁸¹ *Reuters Limited v Icedlt.com* WIPO Case No D2000-0441; for a more detailed discussion, see Lindsay op cit note 9 ¶ [5.34].

²⁸² *Dow Jones and Company, Inc v John Zuccarini* WIPO Case No D2000-0578.

²⁸³ *Google, Inc v Abercrombie 1* NAF Case No FA101579 (10 December 2001); see also *Google Inc v Sergey Gridasov* NAF Case No FA474816 (5 July 2005) which also found the domain names *google.com*, *ghoogle.com*, *gfoogle.com* and *gooigle.com* to be confusingly similar to the complainant's trade mark – for a detailed discussion of this decision see Teng Simon 'Protecting Cyberspace: Typosquatting – Googkle, Ghoogle, Gfoogle and Gooigle' (2005) 182 *Trademark World* 29.

²⁸⁴ *Sharman License Holdings, Limited v Icedlt.com* WIPO Case No D2004-0713.

²⁸⁵ *Amazon.com, Inc v Steven Newman a/k/a Jill Wasserstein a/k/a Pluto Newman* WIPO Case No D2006-0517; for similar decisions on 'typosquatting' also see: *Neuberger Berman Inc v Alfred Jacobsen* WIPO Case No D2000-0323; *Telstra Corporation Ltd v Warren Bolton Consulting Pty Ltd* WIPO Case No D2000-1293; *Bank of America Corporation v BanofAmerica* NAF Case No 105885 (12 April 2002); *Express Scripts, Inc v Kal* WIPO Case No D2006-0301; *Edmunds.com Inc v Ed Munski* WIPO Case No D2006-1094.

Gripe sites are typically used by disgruntled former employees with a grudge against a company ('bad leavers'), activists seeking to make a political point, and disgruntled consumers wanting to post and solicit complaints against a company. Gripe sites can also be used by cybersquatters who occupy a domain name in the hope that the trade-mark proprietor will offer to buy it, or by infringers who use the trade mark to attract custom to their sites.²⁸⁶ These sites vary widely in form and application, and have the potential to impact negatively on a trade-mark proprietor's reputation and goodwill, regardless of the form the site may take. These sites usually incorporate trade marks in the domain name, as a domain name such as 'wellknowncompanysucks.com' is much more visible and more likely to be found by search engines. If a gripe site exists but it cannot be located on the Internet, it has very little effect or consequence.²⁸⁷

Whether gripe site domain names that incorporate the complainant's trade mark is confusingly similar to the trade mark of the complainant for the purposes of paragraph 4(a)(i) of the UDRP remains a controversial issue in the UDRP jurisprudence. In the absence of consensus, the WIPO Overview finds a majority view and a minority view. The majority view is this:

'A domain name consisting of a trade mark and a negative term is confusingly similar to the complainant's mark. Confusing similarity has been found because the domain name contains a trade mark and a dictionary word; or because the domain name may not be recognized as negative; or because the domain name may be viewed by non-fluent English language speakers, who may not recognize the negative connotations of the word that is attached to the trademark.'²⁸⁸

The first notable UDRP panel decision to consider a gripe site domain name was *Wal-Mart Stores Inc v Richard MacLeod*,²⁸⁹ in which the domain name 'walmartsucks.com' formed the basis of the complaint. The panel stated that it understood the phrase 'identical or confusingly similar' to be greater than the sum of its parts, and concluded that a domain name would satisfy the first element of the UDRP when it included the trade mark, or a confusingly similar approximation, regardless of the other components

²⁸⁶ Olsen John R, Maniatis Sypros M, Wood Nicolas and Wilson Caroline *Domain Names: Global Practice and Procedure* (2003) Introduction/36.

²⁸⁷ Samson Martin H 'Pruning the Gripe Vine' (2005) *Phillips Nizer LLP Articles*, available at <http://www.phillipsnizer.com/publications/articles/Article-GripeSiteSamson1-05_art.cfm> (accessed 15 December 2010).

²⁸⁸ WIPO Overview ¶ 1.3.

²⁸⁹ WIPO Case No D2000-0662.

of the domain name. The panel stated that the issue under the first element of the UDRP is not whether the domain name caused confusion as to the source, but whether the domain name and the trade mark, when directly compared, were confusingly similar. The approach followed by the panel was accordingly not to determine whether there was source confusion, but rather the 'literal comparison' approach, which I discussed in detail above. This approach led the panel specifically to reject the complainant's argument that consumers were likely to be confused as to the association of a domain name with a negative or a derogatory term. Effectively, the panel reasoned that as the aim of the UDRP is to prevent extortionate behaviour, domain names that include terms that could potentially distinguish it from the complainant's mark, may still be found to be confusingly similar to the complainant's mark, as the focus with regards to gripe site domain names shifts from confusing similarity to the second and third elements of the UDRP – legitimate interest, and bad faith.

In *Societe Air France v Virtual Dates Inc*,²⁹⁰ about the domain name 'airfrancesucks.com', the panel also found the domain name to be confusingly similar to the complainant's established trade mark. The panel specifically noted in its decision that it was aware of the split among UDRP panels regarding the question as to whether a gripe site domain name was confusingly similar to the trade mark to which it had been appended to form a domain name. According to the panel, far from all international customers of Air France are familiar with the pejorative nature of the term 'sucks' and thus likely to be confused by 'sucks' domain names.

Air France was also the complainant in *Air France v Mark Allaye-Chan*.²⁹¹ The panel here shared the view of the earlier panel that as the complaint originated in France, the complainant's potentially significant number of non-English speaking customers may not automatically recognise the pejorative nature of the word 'suck', and the domain name was accordingly confusingly similar to the complainant's trade mark.

In *National Westminster Bank PLC v Purge IT & Purge IT Ltd*,²⁹² the panel similarly

²⁹⁰ WIPO Case No D2005-0168.

²⁹¹ WIPO Case No D2009-0327.

²⁹² WIPO Case No D2000-0636.

concluded that not all Internet users would recognise a gripe site as an address clearly not associated with the complainant, as the users might be unable to give the term 'sucks' any definite meaning, and so would be confused about the potential association.

The panelists in *Vivendi Universal v Mr Jay David Sallen and GO247.com Inc*,²⁹³ *Koninklijke Phillip Electronics NV v In Seo Kim*,²⁹⁴ *Bayer Aktiengesellschaft v Dangos and Partners*,²⁹⁵ and *Chubb Security Australia PTY Limited v Mr Shahim Tahmasebi*²⁹⁶ all noted that Internet users who are not sufficiently fluent in English may not know that the term 'sucks' is used to criticise or disparage, and thus will not necessarily disassociate the domain name from the trade mark that forms part of the disputed domain name.²⁹⁷

As English language dominates the Internet and the world economic sphere, it does not seem overly argumentative to be skeptical of the fact that most non-English speaking Internet users will be confused by a domain name containing a pejorative term. As the panel in *Red Bull GmbH v Carl Game*²⁹⁸ stated in reaction to the complainant's argument that a large portion of Internet users are likely to be confused by 'sucks' domain names, '[this] Panel's opinion is that, at this time, those people who have no appreciation of the pejorative nuance of the word 'sucks' form such an inappreciable part of the modern Internet audience that concern for their sensibilities should not be a factor in the assessment of confusing similarity under paragraph 4(a)(i) of the Policy'.

In *Berlitz Investment Corp v Stefan Tinculescu*,²⁹⁹ the panel, after examining a number of pertinent decisions, also found itself unpersuaded by the argument that non-English speaking Internet users will be confused by this type of domain name. The complainant in this dispute, however, was a business that catered almost exclusively for individuals who did not speak English as a first language. The panel accordingly concluded that the special facts of the dispute led it to believe that the complainant had established

²⁹³ WIPO Case No D2001-1121.

²⁹⁴ WIPO Case No D2001-1195.

²⁹⁵ WIPO Case No D2002-1115.

²⁹⁶ WIPO Case No D2007-0769.

²⁹⁷ See Lindsay *op cit* note 9 ¶ [5.34].

²⁹⁸ WIPO Case No D2008-0253.

²⁹⁹ WIPO Case No D2003-0465.

confusing similarity under the UDRP, which suggests that this consideration could be more relevant where the trade mark is well known among non-English speakers.

In *ASDA Group Ltd v Paul Kilgour*,³⁰⁰ the panel held that confusion between the domain name 'asdasucks.net' and the trade mark ASDA was unlikely, as it was unlikely that there would be many Internet users unfamiliar with the English language, yet aware of the existence of the supermarket chain ASDA. So the specific facts of every dispute should be examined to determine whether confusing similarity is likely.

It is true non-English speakers may not recognise, for example, the word 'sucks' as a pejorative term, and may truly think that a gripe site is associated with a particular mark. It is also true that if the preferred side-by-side comparison is used in circumstances like these the trade mark and the domain name can seem quite similar. If one considers everyday Internet use, though, it is highly unlikely that English speaking Internet users will find the similarity confusing, and that non-English speaking users will not know, or not use, a term like 'sucks'. Although this remains the majority view,³⁰¹ the premises founding this view leave room for further discussion and debate.

By contrast, the minority view expressed in the WIPO Overview is that '[a] domain name consisting of a trademark and a negative term is not confusingly similar because Internet users are not likely to associate the trademark holder with a domain name consisting of the trademark and a negative term'.³⁰²

A number of early UDRP panel decisions entertained the notion that 'sucks' domain names could as such not be held to be confusingly similar to the complainant's trade mark. They did so by relying on American case law dealing with 'sucks' domain names, and effectively applied the source confusion comparison used in trade-mark infringement cases in the United States.

³⁰⁰ WIPO Case No D2002-0857.

³⁰¹ *Sermo Inc v CatalystMD LLC* WIPO Case No D2008-0647; *Air Austral v Tina Yi Yong Investment Ltd* WIPO Case No D2009-0020.

³⁰² WIPO Overview ¶ 1.3.

In *Lockheed Martin Corporation v Dan Parisi*,³⁰³ the majority of the panel believed that common sense and a reading of the plain language of the UDRP supported the view that a pejorative term like 'sucks' incorporated in a domain name clearly indicated that the domain name was not affiliated with the trade-mark proprietor and so could not be considered to be confusingly similar to the trade mark. The panel further stated that Internet users would be able to distinguish readily the respondent's site for criticism from the complainant's sites for aerospace goods.

In *McLane Company Inc v Fred Graig*,³⁰⁴ the panel reached the same conclusion. It stated that while it was possible that the inclusion of a generic term would not serve to distinguish a domain name from a trade mark, the addition of the term 'sucks' reduced the likelihood of confusion, as it would be evident to the viewer that such a site was not sponsored or endorsed by the trade mark holder.

The domain name 'fucknetscape.com' was at issue in *America Online Inc v Johuathan Investment Inc & AOLLNEWS.COM*.³⁰⁵ The panel regarded it as inconceivable that anyone looking at the domain name would believe that it had anything to do with a company of such high repute as America Online. It concluded that the name, which, by its nature, declared that it was hostile to the trade-mark proprietor, could not be confusingly similar to the complainant's trade mark.³⁰⁶

When the domain name 'redbullsucks.com'³⁰⁷ was in issue, the panel specifically rejected the complainant's argument that the addition of the word 'sucks' to another's trade mark is equivalent to adding a descriptive or generic term to the trade mark. It stated that it is not helpful to characterise 'sucks' as a generic term, in the same way as, for example, 'online' and numerous similar terms which have been characterised by previous panels as non-distinctive.³⁰⁸

³⁰³ WIPO Case No D2000-1015.

³⁰⁴ WIPO Case No D2000-1455.

³⁰⁵ WIPO Case No D2001-0918.

³⁰⁶ See also *Wal-Mart Stores Inc v walmartcanadasucks.com* WIPO Case No D2000-1104.

³⁰⁷ *Red Bull GmbH v Carl Game!* WIPO Case No D2008-0253.

³⁰⁸ See, generally, Hurter Eddie 'Uncertainty 'sucks': An Analysis of Selected Panel Decisions Under the Uniform Dispute Resolution Policy Regarding Gripe Site Domain Names' (2006) 18 *SA Merc LJ* 436 at 440.

It emerges that there is no hard-and-fast rule to determine confusing similarity where 'sucks'-type domain names are at issue.³⁰⁹ The carefully reasoned *Wal-Mart Stores Inc v xc2*³¹⁰ decision confirms the flexible and fact-centred approach of UDRP panels:

'Blanket propositions in relation to whether a derogatory term appended to a Complainant's mark constitutes a phrase which is confusingly similar to the Complainant's mark should be avoided'.³¹¹

3.2 Second Element of Abusive, Bad Faith Registration: Rights or Legitimate Interests in the Disputed Domain Name

The second of the three elements of an abusive, bad-faith registration in terms of paragraph 4(a)(ii) of the UDRP requires the complainant to prove that 'the respondent (domain name holder) has no rights or legitimate interests in respect of the domain name'.

As I stated earlier,³¹² the UDRP prohibits only one type of conduct for which the domain-name dispute resolution procedure can be employed – the deliberate, bad-faith, and abusive registration of domain names (or 'cybersquatting') with reference only to trade and service marks. Cases where a registered domain name is the subject of a legitimate dispute between parties with competing rights acting in good faith do not fall within the ambit of the UDRP. As was stated in the WIPO Final Report, '[t]he scope of the procedure is limited so that it is available only in respect of deliberate, bad faith, abusive, domain name registrations or "cybersquatting" and is not applicable to disputes between parties with competing rights acting in good faith'.³¹³

This limitation of the scope of the UDRP was consequently implemented by the inclusion of the second element among those that the complainant must prove in terms of paragraph 4(a)(ii) of the UDRP.

Limiting the scope of the UDRP in this way is not only understandable but necessary. The policy considerations underpinning the UDRP did not envisage the establishment of an alternative forum for the resolution of trade-mark disputes. The UDRP came to

³⁰⁹ See also *Medimmune Inc v Jason Tate* WIPO Case No D2006-0159.

³¹⁰ WIPO Case No D2006-0811.

³¹¹ For a more detailed discussion, see Lindsay op cit note 9 ¶ [5.40].

³¹² See section 1.3 above.

³¹³ WIPO Final Report ¶ [135].

life not to compete with the courts but to create a truncated and streamlined administrative dispute resolution procedure to counter ‘cybersquatting’. The courts are the proper fora to deal with trade-mark disputes between parties with competing rights or interests in a domain name. The limited scope of the UDRP is actually one of its main features.³¹⁴

While the underlying policy considerations are obvious, this second element of paragraph 4(a)(ii) creates a number of difficulties. In the first instance, this element requires the complainant to prove a negative. This is notoriously difficult to do, let alone within the faceless and borderless environment of the international domain-name system. Secondly, a specific meaning has to attach to the phrase ‘rights or legitimate interest’. What is the substantive content of a ‘right’ for the purposes of the UDRP? Which legal principles should be applied to determine whether a respondent has a ‘right’ for purposes of the second element? The same ambiguity and uncertainty exists when one has to determine the meaning of ‘legitimate interests’ in this context.

While the UDRP itself does not define in any significant detail what is meant by the terms ‘rights’ or ‘legitimate interests’, paragraph 4(c) of the UDRP, headed ‘How to demonstrate your rights to and legitimate interest in the domain name in responding to a complaint’, assists by listing, in particular but without limitation,³¹⁵ three indications of what may amount to a ‘right’ or ‘legitimate interest’:

- (i) before any notice to the Respondent of the dispute, the Respondent’s use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with the bona fide offering of goods or services; or
- (ii) the Respondent (as an individual, business, or other organization) has been commonly known by the domain name, even if the Respondent had acquired no trademark or service mark rights; or
- (iii) the Respondent is making legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.’

³¹⁴ ICANN Second Staff Report ¶ [4.1(c)].

³¹⁵ ICANN Second Staff Report ¶ [4.6]: ‘... the three circumstances described in paragraph 4(c) are not intended to constitute an exhaustive list of legitimate registration and usage of domain names. Even if none of the three listed circumstances is present, the administrative procedure would still not apply to a dispute where the domain name holder can show that its activities are otherwise legitimate.’ See also Hedley S *The Law of E-Commerce and the Internet in the UK and Ireland* (2006) 185, who points out that, practically speaking, respondents have been unsuccessful in finding other circumstances that may prove ‘rights or legitimate interests in respect of a domain name’. See also Diégues Juan Pablo Cortés op cit note 251 at 352.

Generally, the individual aims of these three affirmative defenses quoted above can be stated as follows: item (i) is aimed at the protection of the respondent's rights or legitimate interests arising from the commercial use of the disputed domain name in a way that is analogous to the exercise of trade-mark rights, in that the rights or legitimate interests relate to the use of the domain name as a source identifier; item (ii) aims at protecting other rights or legitimate interests of the respondent in the domain name that arise from the name being used to identify the respondent; item (iii) is aimed at other non-trade mark and non-commercial rights or interests of the respondent in the domain name, such as the right to free speech.³¹⁶ The list of defenses as it stands is obviously focused on the protection of trade-mark rights and related commercial interests, rather than the protection of other interests.³¹⁷

3.2.1 Burden of Proof

Paragraph 4(a) of the UDRP is unambiguous in that it requires the complainant to prove all three elements of the UDRP, including, then, that the respondent has no right or legitimate interest in the domain name. Although it is quite clear from paragraph 4(a) of the UDRP that the burden is on the complainant to 'prove the negative', the heading of paragraph 4(c) seems to suggest some or other evidentiary burden on the respondent. The WIPO Overview gives some guidance as to the approach followed by UDRP panels:

'While the overall burden of proof rests with the complainant, panels have recognized that this could result in the often impossible task of proving a negative, requiring information that is often primarily within the knowledge of the respondent. Therefore a complainant is required to make out an initial prima facie case that the respondent lacks rights or legitimate interests. Once such a prima facie case is made, the respondent carries the burden of demonstrating rights or legitimate interests in the domain name. If the respondent fails to do so, a complainant is deemed to have satisfied paragraph 4(a)(ii) of the UDRP.'³¹⁸

It is clear, therefore, that initially the burden of proof rests with the complainant to show that the respondent has no rights or legitimate interests in the domain name. If the complainant submits facts that prima facie show that respondent has no rights or legitimate interests in the domain name, the respondent then has to shoulder an

³¹⁶ See Lindsay op cit note 9 ¶ [6.3].

³¹⁷ See Lipton op cit note 237 at 1374.

³¹⁸ WIPO Overview ¶ 2.1.

evidentiary burden to demonstrate his right or legitimate interest. Panel practice shows that different inferences are drawn by panels depending on the extent to which the two parties shoulder their respective burdens: if the panel believes that the answer to the question as to whether the respondent has a right or a legitimate interest remains uncertain, this is to the complainant's disadvantage and probably leads to the panel finding that the dispute should be resolved by a court of competent jurisdiction.³¹⁹ If the respondent does not shoulder his evidentiary burden, the panel can accept as true the facts adduced by the complainant and draw adverse inferences from the respondents' failure to respond.³²⁰ The respondent's failure does not, however, entail that the complainant does not need to discharge the burden of proof – if a complainant does not show a prima facie lack of legitimate interest, the panel will rule for the respondent.³²¹

As the presence of rights or legitimate interests is information controlled by the respondent, the burden of proof on the complainant can be described as 'relatively light'.³²² But this does not mean that a bald allegation that the respondent has no rights or legitimate interests in the domain name is sufficient to establish a prima facie case.³²³ Circumstances that may, in context of all the surrounding circumstances, lead panels to conclude that the complainant has made out a prima facie case that the disputed domain name leads to a web site that is used to misdirect Internet users to commercial web sites that are not related to the complainant are;³²⁴ that the domain name in dispute is a clear case of 'typosquatting',³²⁵ that the domain name was not used for an unusually

³¹⁹ *Manchester Airport PLC v Club Club Limited* WIPO Case No D2000-0638.

³²⁰ *Alcoholics Anonymous World Services, Inc v Lauren Raymond* WIPO Case No D2000-0007; *De Agostini SpA v Marco Cialone* WIPO Case No D2002-0005; *Accor v Eren Atesmen* WIPO Case No D2009-0701.

³²¹ *Eauto LLC v Eauto Parts* WIPO Case No D2000-0096. For a more detailed discussion of the inferences that panels can draw, see Bettinger op cit note 14 at 1055.

³²² *Educational Testing Service v Netkorea Co* WIPO Case No D2000-0087; *Levi, Ray and Shoup Inc v Capitol Systems Corporation* WIPO Case No D2005-0700; see also Jones op cit note 253 at 71; Willoughby op cit note 99 at 541.

³²³ *EFG Bank European Financial Group SA v Jacob Foundation* WIPO Case No D2000-0036; *GA Modefine S A v Sparco P/L* WIPO Case No D2000-0419; *Pomellato SpA v Richard Tonetti* WIPO Case No D2000-0493; *Do The Hustle LLC v Tropic Web* WIPO Case No 2000-0624; *Stream International Inc v dotPartners LLC* NAF Case No FA112428 (12 July 2002).

³²⁴ *Janine Turner v Mercedita Kyamko* WIPO Case No D2004-1036; *Sports Holdings Inc v WhoisID Theft Protection* WIPO Case No D2006-1146.

³²⁵ *Matrix Group Limited Inc v LaPorte Holdings Inc* WIPO Case No D2006-1146; *Google Inc v Sergey Gridasov* NAF Case No FA474816 (5 July 2005).

long period,³²⁶ that there is improper commercial use of the disputed domain name,³²⁷ that the disputed domain name is being offered for sale.³²⁸

Once the complainant has discharged the burden of proof, there is an onerous evidentiary burden on the respondent to prove, on a balance of probabilities (the same standard that applies to all elements of the UDRP), that it has rights or legitimate interests in the domain name. Mere personal assertions by the respondent are not sufficient,³²⁹ as such evidence cannot be tested under the UDRP.³³⁰ Rather, the respondent has to produce ‘concrete evidence’ of such rights or legitimate interests.³³¹

3.2.2 Legitimate Interest Within the Meaning of Paragraph 4(a)(ii) in Terms of the Indications Provided in Paragraph 4(c)

3.2.2.1 Paragraph 4(c)(i) of the UDRP: Use of, or Demonstrable Preparations to Use, the Domain Name in Connection with the Bona Fide Offering of Goods or Services Before any Notice to You of the Dispute

3.2.2.1.1 The Meaning of ‘Before any Notice’ of the Dispute

In terms of the paragraph 4(c)(i) of the UDRP, the use of, or demonstrable preparations to use, the domain name in connection with the bona fide offering of goods or services, must happen before the respondent receives notice of the dispute. It is crucial that the use, or preparations for use, must happen before the respondent receives notice of the dispute, *not* before the complaint is initiated against the respondent. Evidence of the use or preparations for use can accordingly prove a legitimate interest in the domain name only if such use or preparations happened before the respondent received any notice of the dispute. Notice of the dispute is generally given by way of a cease-and-desist letter.³³² The moment relevant to establishing whether there has been bona fide

³²⁶ *Clerical Medical Investment Group Limited v Clericalmedical.com* (Clerical and Medical Services Agency) WIPO Case No D2000-1228.

³²⁷ *Wellquest International Inc v Nicholas Clark* WIPO Case No D2005-0552; *F Hoffmann-La Roche AG v Web Marketing Limited* WIPO Case No D2006-0005; *The Bear Stearns Companies Inc v Darryl Pope* WIPO Case No D2007-0593; *Accor v Eren Atesmen* WIPO Case No D2009-0701.

³²⁸ *Compañía Anonima Cigarrera Bigott Sucesores v Wang Yi-Chi* WIPO Case No D2003-0252; *Gorilla Trades Inc v Clark Cochran* WIPO Case No D2006-0530. For a more detailed discussion of these circumstances, see Lindsay op cit note 9 ¶ [6.5].

³²⁹ *Do the Hustle LLC v Tropic Web* WIPO Case No D2000-0624.

³³⁰ *ARAG Allgemeine Rechtsschutz-Versicherungs-AG v Seung Nam Kim* WIPO Case No D2006-1001.

³³¹ *Document Technologies Inc v International Electronic Communications Inc* WIPO Case No D2000-0270. Lindsay op cit note 9 ¶ [6.4].

³³² Bettinger op cit note 14 at 1065.

use of or preparations to use the domain name by the respondent will consequently be when such a letter is received by the respondent.³³³ The term 'notice' should not be construed as notice of the proceedings instituted in terms of the UDRP, and the term 'dispute' should not be construed to connote proceedings instituted in terms of the UDRP.³³⁴ A complainant inquiring about the possibility of purchasing a domain name from the respondent without the complainant in the process bringing to the attention of the respondent the fact that the respondent's domain name may be infringing the complainant's rights to a trade mark is not deemed to establish knowledge prior to the dispute.³³⁵

3.2.2.1.2 The Meaning of 'Use or Demonstrable Preparations to Use'

In order for the respondent to establish rights or legitimate interests in the domain name for the purposes of paragraph 4(c)(i) of the UDRP, the respondent needs to prove the 'use' of the domain name in connection with the bona fide offering of goods or services. As the term 'use' is open to various interpretations, UDRP panels have been faced with a wide range of situations in which they had to determine the meaning of the term 'use' of a domain name for the present purposes. Generally, almost all instances in which the respondent can indicate that the domain name is used in a commercial sense or in connection with any form of business, directed at the world at large, and any corresponding preparatory acts, are considered to be sufficient.³³⁶

UDRP panels have, however, held that that no 'use' or no 'bona fide use' of the disputed domain name has been made by the respondent in a number of situations. The following are a number of recurring situations: (a) the domain name merely links users to a notice which indicates that the web site is still 'under construction';³³⁷ (b) the domain name merely links users to web sites that redirect them to other web sites that have no connection to a commercial endeavour connected to the bona offering of

³³³ *DCC Wine Exchange Inc v Giumarra Farms Inc* NAF Case No FA95065 (28 August 2000).

³³⁴ *Corinthians Licenciamentos LTDA v David Sallen* WIPO Case No D2000-0461; *Sanlam Limited v Selat Sunda Inc* WIPO Case No D2000-0895.

³³⁵ *Hispanic Publishing Corporation v Ciber Surf EIRL* WIPO Case No D2000-0860; *Sanlam Limited v Selat Sunda Inc* WIPO Case No D2000-0895.

³³⁶ *Bettinger* op cit note 14 at 1065.

³³⁷ *Sears, Roebuck and Co v Hanna law Office* WIPO Case No D2000-0669; *The Hamlet Group Inc v James Lansford* WIPO Case No D2000-0073; *AlohaCare v PPI* WIPO Case No D2002-1160.

goods and services;³³⁸ (c) the domain name merely links users to a web site that contains only an offer to sell the disputed domain;³³⁹ and (d) the respondent intends to use the disputed domain name only some time in the future (so-called domain name warehousing).³⁴⁰ It should be noted that the use of a domain name for practices such as landing pages or pay-per-click links may in some circumstances be permissible and provide a respondent with rights or legitimate interests under the UDRP, for example, where a domain name consisting of generic words or terms supports pay-per-click links genuinely related to the generic meaning of the domain name at issue.³⁴¹ As Willoughby argues, these practices are not as a matter of fact objectionable, and it should, therefore, not in principle be impossible for respondents to prove rights to or legitimate interests in a domain name associated with these practices.³⁴²

Paragraph 4(c)(i) of the UDRP also provides for 'demonstrable preparations' to use the domain name in connection with the bona fide offering of goods or services as proof of a legitimate interest in the disputed domain name. Considering the fact that 'preparations to use' supposes that the disputed domain name has actually not been used, this necessarily suggests that the respondent must provide the panel with credible proof of actual preparations to use the domain name.³⁴³ Some panels have

³³⁸ *Easyjet Airline Company Ltd v Andrew Steggles* WIPO Case No D2000-0024 (the domain name linked Internet users to a web site that merely contained links to an unrelated business). In *NetLearning Inc v Dan Parisi* NAF Case No FA95471 (16 October 2000) and *Janine Turner v Mercedita Kyamko* WIPO Case No D2004-1036 (the domain names linked to web sites that redirected users to pornographic web sites); *Legacy Health System v Nijat Hassanov* WIPO Case No D2008-1708 (the domain names linked to pay-per-click advertising web sites).

³³⁹ *Caterpillar Inc v Roam the Planet Ltd* WIPO Case No D2000-0275; *No Slippy Hair Hair Clippy v Damage Sports Inc* WIPO Case No D2004-0757; *Gorilla Trades Inc v Clark Cochran* WIPO Case No D2006-0530. Note that an offer to sell a domain name by a domain name broker or reseller may constitute a legitimate business and thus the 'use' of the domain name in connection with the bona fide offering of goods or services (*Allocation Network GmbH v Steve Gregory* WIPO Case No D2000-0016; see further Kornfeld Dori 'Evaluating the Uniform Domain Name Dispute Resolution Policy' (2000) 11 at 7, available at <<http://cyber.law.harvard.edu/icann/pressingissues2000/briefingbook/udrp-review.html>> (accessed 3 December 2010)).

³⁴⁰ *Mondich and American Vintage Wine Biscuits v Brown* WIPO Case No D2000-0004; *Document Technologies Inc v International Electronic Communications Inc* WIPO Case No D2000-0270. See White John G 'Intellectual Property: C. Trademark: 2. Domain Name: B) Arbitration: ICANN's Uniform Domain Name Dispute Resolution Policy in Action' (2001) 16 *Berkeley Technology LJ* 229 at 240-249, who suggests that ICANN should give formal guidance in view of the inconsistent application of the 'inaction doctrine'.

³⁴¹ *Mobile Communication Service Inc v WebReg RN* WIPO Case No D2005-1304; *Bradley D Mittman MD dba Frontrunners v Brendhan High MDNH Inc* WIPO Case No D2008-1946; *Trade Me Ltd v Vertical Axis Inc* WIPO Case No D2009-0003.

³⁴² See Willoughby Tony 'Domain Name Disputes: The UDRP 10 Years On' (2009) 4 *J of Intellectual Property Law and Practice* 714 at 717-718.

³⁴³ *World Wrestling Federation Entertainment Inc v Ringside Collectibles* WIPO Case No D2000-1306.

been willing to draw negative inferences from the respondent's inaction.³⁴⁴ Fictitious or uncorroborated assertions of preparatory acts or an intention to use the domain name (such as a respondent claiming to have undertaken 'a lot of preparation work',³⁴⁵ or to have had 'big plans' for the web site³⁴⁶), even on affidavit,³⁴⁷ will not amount to demonstrable preparations to use the domain name.³⁴⁸ If there is no indication of mere fictitious use after all the relevant circumstances have been considered, preparatory acts such as the conclusion of articles of association, the preparation of a business concept, the development of a web site or a logo,³⁴⁹ contracting a designer, attempts to enter into negotiations with potential customers,³⁵⁰ and marketing and financial projections³⁵¹ have been found to suffice. The same applies to proper business plans submitted by respondents.³⁵² By contrast, obviously fabricated business plans,³⁵³ and business plans drafted specifically for purposes of a pending domain name dispute were not regarded as sufficient preparations to use the domain name.³⁵⁴

For the panel to determine if demonstrable preparations to use the disputed domain name have been made, the true nature of the respondent's internal preparatory acts should be examined diligently on the basis of an overall consideration of all the relevant circumstances and the cumulative effect of the evidence submitted.³⁵⁵ If a panel cannot conclude that actual preparations for the bona fide offering of goods or services were made, after careful consideration of all the relevant circumstances, the decision should be left to the courts. Court processes such as cross examination and discovery can

³⁴⁴ *Telstra v Nuclear Marshmallows* WIPO Case No D2000-0003; *Educational Testing Service v TOEFL* WIPO Case No D2000-0044. For a more detailed discussion of these decisions, see Gunning Patrick and Flynn Patrick 'Trade Marks and Domain Names' (2001) 4 *Cyber Law Resources* 1 at 14-15.

³⁴⁵ *Société Nouvelle du Journal L'Humanité v Cyril Havas* WIPO Case No D2006-0018.

³⁴⁶ *GoPets Ltd v Edward Hise* WIPO Case No D2006-0636.

³⁴⁷ *Document Technologies Inc v International Electronic Communications Inc* WIPO Case No D2000-0270.

³⁴⁸ Bettinger op cit note 14 at 1067; Lindsay op cit note 9 ¶ [6.7.3].

³⁴⁹ *IKB Deutsche Industriebank AG v Bob Larkin* WIPO Case No D2002-0420.

³⁵⁰ *Smart Design LLC v Carolyn Hughes* WIPO Case No D2000-0993.

³⁵¹ *The Jolt Company v Digital Milk Inc* WIPO Case No D2001-0493.

³⁵² *Physik Instrumente GmbH and Co v Stefan Kerner/Magic Moments Design Ltd, Stefan Kerner* WIPO Case No D2000-1001; *Smart Design LLC v Carolyn Hughes* WIPO Case No D2000-0993; *Saltworks Inc v Tom Graham* WIPO Case No D2005-0874; *SportSoft Golf Inc v Sites to Behold Ltd* NAF Case No FA94976 (27 July 2000); *DCC Wine Exchange Inc v Giumarra Farms Inc* NAF Case No FA95065 (28 August 2000).

³⁵³ *Pharmacia and Upjohn AB v Gabriel Sipa* WIPO Case No D2000-0903.

³⁵⁴ *Australian Trade Commission v Matthew Reader* WIPO Case No D2002-0786; *Deutsche Telekom AG v Kerstin Ice* WIPO Case No D2003-0688. For a detailed discussion of the status of business plans as evidence of 'demonstrable preparations to use' a domain name, see Lindsay op cit note 9 ¶ [6.7.3].

³⁵⁵ *The Jolt Company v Digital Milk Inc* WIPO Case No D2001-0493.

more easily clarify the facts than is possible by a UDRP panel, which can base its decision only on limited evidentiary presentations as provided for in the truncated and streamlined UDRP procedures.³⁵⁶

3.2.2.1.3 The Meaning of 'Bona Fide Offering of Goods or Services'

In terms of paragraph 4(c)(i) of the UDRP, a respondent can establish rights or legitimate interests in the disputed domain name only if the actual use of the domain name, or the demonstrable preparations to use the domain name, are in connection with the bona fide offering of goods or services. The fact that this defense on purpose includes the qualification that the use must be 'bona fide' makes it clear that not any indiscriminate use of the domain name where goods or services is offered will be sufficient to prove a legitimate interest for the purposes of paragraph 4(c)(i) of the UDRP. The nature of the use has to be determined to answer the critical question as to whether the use amounted to a bona fide offering, and, accordingly, if the defense can be raised successfully.

Generally, bona fide use is established where the disputed domain name is used in connection with the sale of goods or offering of services that are essentially different from the goods or services for which the complainant's trade mark was registered.³⁵⁷ This general rule seems to apply especially where the complainant's trade mark has a low distinguishing capacity or is descriptive, or if a number of potential parallel uses of the mark or sign is possible outside the scope of the trade mark.³⁵⁸ The following statement by the panel in *Meredith Corporation v City Home Inc*³⁵⁹ illustrates this:

'The respondent also notes that there are at least seven United States Trade Mark registrations for Country Home by others for diverse uses and 'hundreds' for common variations thereof, eg Home Country. Furthermore, the complainant's trademark registrations are in classes 16 and 31 for such things as printed materials, magazines and seed. On the other hand, the respondent's potential use in connection with real estate and mortgage services would be in international classes 35 and 36. Additionally, to use the name CountryHome for real estate services is possibly descriptive of such services. On

³⁵⁶ *American Film Marketing Association v Andy Hasse* WIPO Case No D2001-0558; Bettinger op cit note 14 at 1067.

³⁵⁷ Bettinger op cit note 14 at 1068.

³⁵⁸ For an interesting discussion of the possible use of the same trade mark by various businesses, see Fhima Ilanah Simon (ed) *Trade Mark Law and Sharing Names: Exploring Use of the Same Mark by Multiple Undertakings* (2009).

³⁵⁹ WIPO Case No D2000-0223.

the current record, the respondent has the right to use such a possibly descriptive term for services quite different from the goods for which the complainant owns trademark registrations.³⁶⁰

The bona fide offering of goods or services will, generally, also be assumed where the disputed domain name is derived from the respondent's own lawfully used business designation.³⁶¹ Domain name speculation concerning domain names consisting of common dictionary words can likewise be viewed as legitimate use, unless the respondent had knowledge, or constructive notice, of the complainant's mark.³⁶²

There is little doubt that the commercial use of the disputed domain name where such use infringes the complainant's trade mark cannot be regarded as the offering of goods or services in good faith. For example, if the respondent uses the complainant's branding or logos on its web site without the complainant's consent,³⁶³ or has intentionally designed its web site to create the impression that Internet users have actually reached the trade-mark proprietor's web site,³⁶⁴ or has been notified by the complainant that the domain name is in conflict with the complainant's trade mark before the domain name is registered,³⁶⁵ the use of the domain name will not be regarded as being in connection with the bona fide offering of goods or services.³⁶⁶

Various other forms of commercial use of the complainant's trade mark that will not be deemed to be the bona fide offering of goods or services for the purposes of paragraph 4(c) of the UDRP has also been identified:³⁶⁷ (a) the commercial use of the disputed domain name by the respondent with the intention to trade off the reputation, or exploit the goodwill, of the complainant trade-mark proprietor;³⁶⁸ (b) the use of the disputed

³⁶⁰ See also *Porto Chico Stores Inc v Lovely Girls, Otavio Zambon* WIPO Case No D2000-1270; *Rapido TV Limited v Jan Duffy-King* WIPO Case No D2000-0449.

³⁶¹ *Powertv Inc v PowerNet Internet Group* WIPO Case No D2001-0831; *International E-Z UP Inc v Affordable Instant Shelters Inc* WIPO Case No D2001-1244; *Anders Ström, Unibet.com (International) Ltd v GEO Systems Ltd* WIPO Case No D2001-1250.

³⁶² *Allocation Network GmbH v Steve Gregory* WIPO Case No D2000-0016; Bettinger op cit note 14 at 1070.

³⁶³ *Kyocera Mita America Inc, Kyocera Mita Corporation v Office Land* WIPO Case No D2000-0385.

³⁶⁴ *Microsoft Corporation v Tarek Ahmed* WIPO Case No D2000-0548.

³⁶⁵ *The Chip Merchant Inc v Blue Star Electronics dba Memory World* WIPO Case No D2000-0474.

³⁶⁶ Bettinger op cit note 14 at 1071.

³⁶⁷ For a detailed discussion, see Lindsay op cit note 9 ¶ [6.7.5]

³⁶⁸ See *Serta Inc v Maximum Investment Corporation* WIPO Case No D2000-0123; *Madonna Ciccone v Dan Parisi* WIPO Case No D2000-0847; *Advance Magazine Publishers Inc v Lisa Whaley* WIPO Case No D2001-0248.

domain name by the respondent for commercial gain by attempting to attract Internet users to its web site with the intention of creating confusion with the complainant's trade mark;³⁶⁹ (c) the use of the disputed domain name by the respondent for commercial gain by intentionally attempting to attract or divert Internet users to other web sites that are not in any way related to the complainant;³⁷⁰ and (d) the use of the disputed domain name that is confusingly similar to a pharmaceutical company's trade mark with the intention of redirecting Internet users to an online pharmacy.³⁷¹

I shall discuss below some problematic types of situation that has created problems in the present context.

The registration of multiple domain names that reflect the complainant's trade mark: If the inference can be drawn that the respondent registered multiple domain names reflecting the complainant's trade mark in an effort to prohibit or block the complainant from incorporating its own trade mark in a domain name, the use of the disputed domain name is not regarded as use in connection with the bona fide offering of goods or services. Statements by panelists such as that 'it is highly unlikely that Patron [the respondent] could legitimately use each of the 40 domain names it assertedly owns in providing goods and services in commerce',³⁷² and that 'a single distributor is extremely unlikely to have a legitimate interest in precluding others from using numerous variants on a mark',³⁷³ clearly illustrate the approach favoured by UDRP panels.³⁷⁴

³⁶⁹ See *Adobe Systems Incorporated v Domain Oz* WIPO Case No D2000-0057; *Amphenol Corporation v Applied Interconnect Inc* WIPO Case No D2001-0296; *Eldrick 'Tiger' Woods v Shay Kostiner* NAF Case No FA772899 (25 September 2006); *Edmunds.com v The Registrant of <Edmunds.com>*, *Free Domains Parking*, *Andrey Vasiliev* WIPO Case No D2006-0741.

³⁷⁰ See *Women in Military Service for America Memorial Foundation Inc v Russian Web Marketing* WIPO Case No D2001-0610; *DLJ Long Term Investment Corporation v BargainDomainNames.com* NAF Case No FA104580 (9 April 2002); *Humana Inc v Unasi Inc a/k/a Domaincar* WIPO Case No D2006-0199; *Victoria's Secret Stores Brand Management Inc v Diana Abeyta* NAF Case No FA747975 (23 August 2006); *The Royal Bank of Scotland Group plc v Caribbean Online International Ltd* NAF Case No FA849147 (8 January 2007).

³⁷¹ See, for example, *Pfizer Inc v Seocho and Vladimir Snezko* WIPO Case No D2001-1188; *G D Searle and Co v Fred Pelham* NAF Case No FA117911 (19 September 2002); *Aventis, Aventis Pharma SA v VASHA Dukes* WIPO Case No D2004-0276; *Lilly ICOS LLC v Tudor Burden d/b/a BM Marketing/ Burden Marketing* WIPO Case No D2005-0313; *F Hoffman-La Roche AG v Direct Response Marketing Ltd* WIPO Case No D2006-1370.

³⁷² *Nabisco Brands Company v The Patron Group Inc* WIPO Case No D2000-0032.

³⁷³ *Magnum Piering Inc v The Mudjacks* WIPO Case No D2000-1525.

³⁷⁴ See also *Ferrari SPA, Fila Sport SPA v Classic Jack* WIPO Case No D2003-0085; Lindsay op cit note 9 ¶ [6.7.6].

Re-sellers, authorised dealers, and other sales agents: One of the most contentious issues in the present context concerns the conditions under which re-sellers, authorised dealers, and other agents may use a trade-mark proprietor's trade mark in the course of their business. (This is similarly controversial in trade-mark law.³⁷⁵) Divergent approaches have been adopted by UDRP panels. The WIPO Overview accordingly distinguishes a majority and a minority view. The majority view asserts that a reseller may make a bona fide offering of goods or services if the reseller complies with certain requirements aimed at reducing the chance of source confusion:

'A reseller can be making a bona fide offering of goods and services and thus have a legitimate interest in the domain name if the use fits certain requirements. These requirements include the actual offering of goods and services at issue, the use of the site to sell only the trademarked goods and the site accurately disclosing the registrant's relationship with the trademarked owner. The respondent must also try not to corner the market in domain names that reflect the trademark.'³⁷⁶

The majority view is essentially a compromise between two extreme views, which will be discussed in more detail below. The compromise, which was first devised in *Oki Data Americas Inc v ASD Inc*,³⁷⁷ became the UDRP majority view. In *OKI Data*, the panel ruled that an authorised dealer or re-seller can use the complainant's trade mark as a domain name in connection with the bona fide offering of goods or services for the purposes of paragraph 4(c)(iii) of the UDRP only if the following minimum requirements are met:

- 1 The respondent must actually be offering the goods or services at issue.
- 2 The respondent must use the site to sell only the trademarked goods; otherwise, it could be using the trade mark to bait Internet users and then switch them to other goods.
- 3 The site must accurately disclose the registrant's relationship with the trade mark owner; it may not, for example, falsely suggest that it is the trade mark owner, or that the Web site is the official site, if, in fact, it is only one of many sales agents.

³⁷⁵ See, for example, in South African trade-mark law, Webster and Page op cit note 188 ¶¶ 12.12.-12.18 and ¶¶ 12.40-12.41; *Bayerische Motoren Werke AG v BW Tech* 2004 BIP 170; in United Kingdom trade-mark law, see Bentley and Sherman op cit note 92 at 935-936 and 870; *Gillette Co v LA Laboratories Ltd OY* [2005] FSR 37 808; [2007] ETMR 235; see also Bettinger op cit note 14 at 1081-1083 for a discussion of European trade mark law.

³⁷⁶ WIPO Overview ¶ 2.3.

³⁷⁷ WIPO Case No D2001-0903. For a more detailed discussion of this decision, see Kim Hee-Eun 'WIPO Cases Offer Trade Mark Licensing Lessons' (2009) *Supplement – Brand Management IP Focus 2009*, available at <<http://www.managingip.com/Article/2192393/WIPO-cases-offer-trade-mark-licensing-lessons.html>> (accessed 15 December 2010); Quinto David W and Desai Deven *Law of Internet Disputes* (2003) § 4.05.

- 4 The respondent must not try to corner the market in all domain names, thus depriving the trade mark owner of reflecting its own mark in a domain name.⁷

Even though a respondent will, in terms of *OKI Data*, have a legitimate interest in the disputed domain name only if all the requirements are met, a degree of flexibility should remain in order to allow panels to take account of special circumstances. The *OKI Data* multi-factor test has been at the core of many domain-name disputes between trade-mark proprietors and authorised dealers and re-sellers.³⁷⁸ Some panels have also emphasised that the UDRP was not meant to resolve all possible domain-name disputes between trade-mark proprietors and their authorised dealers and re-sellers, but only instances of cybersquatting.³⁷⁹ Trade-mark proprietors who wanted to protect their trade marks against use by authorised dealers or re-sellers should do so by way of contract, or through classical trade-mark infringement actions before the national courts.

UDRP panels have also slightly varied or embellished the *OKI Data* criteria. In *Dr Ing hc F Porsche AG v Del Fabbro Laurent*,³⁸⁰ for example, the panel found the links on the respondent's web site that linked to web sites promoting products competing with the complainant's to be so negligible that they did not preclude the panel from concluding that the respondent had a legitimate interest.³⁸¹ The same conclusion was reached in *Marathon Enterprises Inc v William I Bauer*.³⁸² There the panel concluded that the fact that the respondent had offered complementary products manufactured by parties other than the complainant did not affect the respondent's legitimate interests, as the other products actually enhanced the complainant's product to which the web site was principally dedicated.³⁸³ The fact that the respondent (an authorised re-seller of the

³⁷⁸ See, for example, *Volvo Trademark Holding AB v Auto Shivuk* WIPO Case No D2005-0447; *Lance Armstrong Foundation v Chris Angeles* WIPO Case No D2005-0888; *Toyota Motor Sales USA Inc v Fleetrates.com* NAF Case No FA568488 (21 November 2005); *Control Techniques Limited v Lektronix Ltd* WIPO Case No D2006-1052; *Seiko Epson Corporation; Epson America Inc v AOS Web Com Inc* NAF Case No FA823033 (27 November 2006); *Marvel Manufacturing Company Inc v Koba Internet Sales LP* WIPO Case No D2008-0265. For a detailed discussion, see Lindsay op cit note 9 ¶ [6.7.7].

³⁷⁹ See in this regard the decisions of *Freni Brembo SpA v Webs We Weave* WIPO Case No D2000-1717; *Band and Olufsen Am Inc v BeoWorld.com* WIPO Case No D2001-0159 and Bettinger op cit note 14 at 1080.

³⁸⁰ WIPO Case No D2004-0481.

³⁸¹ Similarly *Inter-Tel Inc v Michael Marcus* NAF Case No FA727697 (27 July 2006).

³⁸² WIPO Case No D2007-1036.

³⁸³ In *PRL USA Holdings Inc v Philip Chang* WIPO Case No D2006-0093 the panel concluded the opposite on similar facts.

complainant's products) planned to sell products manufactured by the complainant's competitors also did not preclude the panel in *Columbia Insurance Company, Shaw Industries Group Inc v Domains ByProxy and Patti Casey*³⁸⁴ from concluding that the respondent's actions did not reach the level of 'bait and switch' tactics present in *Oki Data*.³⁸⁵

In a number of more recent decisions the majority view has been expanded further in that now it seems to be the case that the *Oki Data* criteria are capable of being applied regardless of whether or not the respondent is an authorised re-seller or distributor. These panels have argued that there seems to be no justification why an authorised re-seller who is not bound by contractual provisions as to the registration of domain names incorporating the complainant's trade mark should be treated differently from unauthorised re-sellers or distributors which engage in similar activities.³⁸⁶

The minority view among WIPO panelists can be stated thus:

'Without the express permission of the trademark holder the right to resell the trademark holder's products does not create a right to use the trademark as the basis for a domain name'.³⁸⁷

The minority view was the preferred view of UDRP panelists before *Oki Data*. Although it is still current with some panels, it has diminished in favour. For example, in *Ferrero SpA v Fistagi Srl*,³⁸⁸ the panel dismissed the respondent's contention that a re-seller of the complainant's had the right to use the complainant's trade mark as a domain name, as such use suggested a much closer affiliation than a mere re-seller relationship; in *Nokia Corporation v Nokia Ringtones & Logos Hotline*,³⁸⁹ the panel held that the respondent has a right to use the domain name only if the complainant had specifically

³⁸⁴ WIPO Case No D2007-0555.

³⁸⁵ See *Columbia Insurance Company, Shaw Industries Group Inc v Rugs of the World Inc* WIPO Case No D2007-1856, in which the same complainant, on different facts, filed another UDRP complaint in relation to the same domain name. In this instance, a three-member panel found for the complainant. For a more detailed discussion of the decisions that varied or further developed the *Oki Data* criteria, see Kim op cit note 377 at 2.

³⁸⁶ *Daimler AG v William Wood* WIPO Case No D2008-1712; *IVECO SpA v Zeppelin Trading Company Ltd* WIPO Case No D2008-1725; *Research in Motion Ltd v One Star Global LLC* WIPO Case No D2009-0227.

³⁸⁷ WIPO Overview ¶ 2.3.

³⁸⁸ WIPO Case No D2001-0262.

³⁸⁹ WIPO Case No D2001-1101.

granted the respondent such a right; in *Raymond Weil SA v Watchesplanet (m) Sdn Bhd*,³⁹⁰ the panel stated that the collateral use of the complainant's trade mark on the respondent's web site in order to re-sell the complainant's products does not confer any proprietary rights to the complainant's trade mark on the respondent; in *Merrell Pharmaceuticals Inc and Aventis Pharma SA v Lana Carter*,³⁹¹ the panel referred to the minority view that have 'rejected out of hand any right on the part of a distributor or reseller to register a domain name consisting of, or containing the manufacturer's trademark, at least in the absence of the trade mark owner's consent'; and in *FD Management Inc v Telecom Tech Corporation*,³⁹² the panel emphasised that the respondent's registration of the domain name had precluded the complainant from using the domain name.

At the other extreme (the third view that anchors the majority view in the middle of the spectrum), some panels hold that there is no general rule regarding the relationship between complainants and authorised distributors or re-sellers, and that each decision should be determined on its own facts. In terms of this view, domain-name holders can more easily prove that they have a legitimate interest in connection with the bona fide offering of goods or services. For example, in *Milwaukee Electric Tool Corporation ("Milwaukee") v Bay Verte Machinery Inc d/b/a The Power Tool Store*,³⁹³ the panel found that the respondent had a legitimate interest in the disputed domain name, as the re-seller was entitled by contract to use the complainant's trade mark in advertising and marketing the complainant's products. Similar conclusions were reached in *Draw-Tite Inc v Plattsburg Spring Inc*³⁹⁴ and *Weber-Stephen Products Co v Armitage Hardware*,³⁹⁵ in both of which the panels upheld the respondents' contentions that they were contractually entitled to use the complainants' trade marks as the complainants' commercial representatives, and that such use should be regarded as a legitimate interest within the meaning of paragraph 4(a)(iii) of the UDRP.

³⁹⁰ WIPO Case No D2001-0601.

³⁹¹ WIPO Case No D2004-1041.

³⁹² WIPO Case No D2008-0235.

³⁹³ WIPO Case No D2002-0774.

³⁹⁴ WIPO Case No D2000-0017.

³⁹⁵ WIPO Case No D2000-0187.

These divergent views can be attributed to two factors.

In the first instance, the legal issues that arise in connection with the use of a trade-mark proprietors' trade mark by authorised dealers and re-sellers are largely unresolved and a topic of debate in terms of national intellectual property laws.³⁹⁶ Given this lack of uniformity in national laws, the lack of consistency in UDRP panel decisions is hardly surprising.³⁹⁷

Secondly, UDRP panels hold divergent views regarding the proper scope of the UDRP. On the one hand, some panels are of the view (which coincides with the WIPO majority) that the scope of the UDRP should be narrow to include only the resolution of domain-name disputes where there is evidence of the abusive, bad-faith registration and use of the disputed domain name. To these panels it is important always to remember that the UDRP was designed to prevent 'cybersquatting' and that it was not intended to resolve all disputes involving domain names. Trade-mark proprietors who wish to prevent the use of their trade marks by authorised dealers or re-sellers should accordingly negotiate such protection by way of contract, or seek recovery in terms of traditional trade-mark infringement or dilution litigation. The UDRP should not be used to prevent uses that the policy deems to be legitimate, such as the use of the domain name in connection with the bona fide offering of goods or services in the clear absence of some element of bad faith or illegitimacy.³⁹⁸ Unless an authorised dealer or re-seller engages in conduct that will disentitle it from having a right to or a legitimate interest in the domain name (such as a respondent trading off the trade-mark proprietor's reputation in a trade mark in order to sell competing products), there is no reason why such an authorised dealer or re-seller cannot register a domain name reflecting the complainant's trade mark.³⁹⁹

On the other hand, some panels hold the view (which coincides with the WIPO minority view) that a trade-mark proprietor should be entitled to reflect its trade mark in corresponding domain names, to the exclusion of all others, except those who can rightfully establish rights or legitimate interests. The rights of an authorised dealer or re-

³⁹⁶ See note 375 above.

³⁹⁷ Bettinger op cit note 14 at 1081.

³⁹⁸ *Oki Data Americas Inc v ASD Inc* WIPO Case No D2001-0903.

³⁹⁹ Lindsay op cit note 9 ¶ [6.7.7].

seller in a domain name that reflects a complainant's trade mark derive as a matter of fact, from the complainant's rights. Accordingly, the registration of a domain name reflecting the trade mark of the complainant by an authorised dealer or re-seller should depend entirely on the trade-mark proprietor's consent.⁴⁰⁰

The UDRP was developed to prevent 'abusive, bad faith registration' only.⁴⁰¹ It was not intended to provide broader protection for trade-mark proprietors in relation to disputed domain names. This much is clear from the fact that the UDRP was extended to include protection not only for legal 'rights' but also 'legitimate interests'.

To conclude: I prefer the WIPO majority view, as an authorised dealer or a re-seller can obtain a legitimate interest in the registration and use of a domain name independently of the trade-mark proprietor, even though any rights of an authorised dealer or reseller in relation to the registration and use of the domain name must be acquired from the trade-mark proprietor. In the event of the authorised dealer or re-seller obtaining a legitimate interest in the domain name independently of the trade-mark proprietor, it is for the trade-mark proprietor to protect its interests by means of contract or through the national courts.⁴⁰²

3.2.2.2 *Paragraph 4(c)(ii) of the UDRP: Domain Name Holder is Commonly Known by the Domain Name*

In terms of paragraph 4(c)(ii) of the UDRP, the second manner in which a respondent can establish rights or legitimate interests in the disputed domain name for the purposes of paragraph 4(a)(ii) of the UDRP is by way of establishing that the respondent as 'the domain name holder (as an individual, business, or other organisation) has been commonly known by the domain name, even if he or she has acquired no trademark or service mark rights'.

The wording is clear: it excludes the names of individuals, businesses, and other organisations from the scope of domain names in terms of which complaints can be

⁴⁰⁰ Ibid.

⁴⁰¹ See the discussion in section 1.3 above.

⁴⁰² Lindsay op cit note 9 ¶ [6.7.7].

instituted under the Policy. The intention of the policy is clearly not to deprive a person, business, or any other type of organisation of the opportunity to use as a domain name a name by which they have become known. But what is connoted by the phrase ‘commonly known by’ is less clear.

3.2.2.2.1 What is Meant by ‘Commonly Known By’ the Name?

There is no general view or approach to the meaning of the phrase ‘commonly known by’. It seems that UDRP panels, generally, consider each individual decision on its own facts and the evidence presented as to the extent to which the name has actually been used by the respondent. Generally, this requirement is satisfied if the respondent’s domain name reflects a commercial entity’s name, such as a company name,⁴⁰³ or abbreviations of a company name.⁴⁰⁴ Disputed domain names that reflect stage names,⁴⁰⁵ first names, and surnames (and abbreviations)⁴⁰⁶ similarly satisfy this requirement, unless, of course, there is evidence that the domain name was registered for the purposes of misuse.⁴⁰⁷ Even being ‘commonly known by’ a nickname has been found to satisfy this requirement.⁴⁰⁸ Panels should however be extremely discriminatory with the evidence they will accept as proof of the fact that a person was ‘commonly known by’ a specific nickname in order to ensure consistency in decision making and prevent abuse of paragraph 4(c)(ii) of the UDRP.⁴⁰⁹

⁴⁰³ *Avnet Inc v Aviation Network Inc* WIPO Case No D2000-0046; *Fuji Photo Film Co Ltd, Fuji Photo Film USA Inc v Fuji Publishing Group LLC* WIPO Case No D2000-0409; *IKB Deutsche Industriebank AG v Bob Larkin* WIPO Case No D2002-0420. Compare *Royal Bank of Canada v RBC Bank* WIPO Case No D2002-0672, in which the panel stated that the mere registration of a company name without using the name before registration of the domain name does not amount to the respondent’s being ‘commonly known by’ the name, as this would circumvent the UDRP.

⁴⁰⁴ *JCM Germany GmbH v John C McClatchey* WIPO Case No D2004-0538.

⁴⁰⁵ *AST Sportswear Inc v Steven R Hyken* WIPO Case No D2001-1324 (the stage name ‘Johnny Blaze’ corresponded to the domain name); *Toyota Motor Sales USA Inc v J Alexis Productions* WIPO Case No D2003-0624 (the stage name ‘Lexus Michaels’ corresponded to the domain name).

⁴⁰⁶ *HSBC Holdings Plc v David H Gold* WIPO Case No D2001-0343; *GA Modefine SA v AR Mani* WIPO Case No D2001-0537 (the domain name ‘armani.com’ corresponded to the respondent’s initials and surname); *Société des Produits Nestlé SA v Pro Fidicia Treuhand AG* WIPO Case No D2001-0916 (the domain name ‘maggi.com’ was identical to the surname of the company’s founder).

⁴⁰⁷ See *Rothschild Bank AG v Rothchild Corporation* WIPO Case No D2001-1112 (the respondent changed his surname to exploit the well-known surname ‘Rothschild’). See further Bettinger op cit note 14 at 1084-1085.

⁴⁰⁸ *Penguin Books Limited v The Katz Family* WIPO Case No D2000-0204 (the respondent was known by the nickname ‘Penguin’ for many years before the registration of the domain name ‘penguin.org’).

⁴⁰⁹ See *Gordon Sumner p/k/a Sting v Michael Urvan* WIPO Case No D2000-0596, in which the panel found that the evidence presented by the respondent that he was ‘commonly known by’ the nickname ‘Sting’ was too weak to prove a legitimate interest in the domain name ‘sting.com’. See also *Red Bull GmbH v Harold Gutch* WIPO Case No D2000-0766, in which the panel found that the respondent did not

3.2.2.2 When should a Respondent be ‘Commonly Known By’ a Name?

UDRP panels have given different answers to this question.

Some have stated that it is sufficient for a respondent to have been ‘commonly known by’ a name at the time when the complaint was filed. If this were true, close attention should be paid to whether the name by which the respondent became ‘commonly known by’ only after the domain name was registered and used was not registered in bad faith. If the domain name was not registered in good faith the reputation gained by the respondent following the registration of the domain name cannot give rise to a legitimate interest for the purposes of paragraph 4(c)(ii) of the UDRP.⁴¹⁰

Other panels have stated the view that I prefer – the respondent must have been ‘commonly known by’ the name before the registration of the domain name.⁴¹¹ The rationale for this is that a respondent’s legitimate interest in a name should not have been established by the registration of the disputed domain name and its subsequent use but by the use of the name before and independently of the domain-name registration.⁴¹²

3.2.2.3 Paragraph 4(c)(iii) of the UDRP: Making a Legitimate Non-Commercial or Fair Use of the Domain Name

The third circumstance that can serve as an indication that a respondent has rights or legitimate interests in the disputed domain name in terms of paragraph 4(c) of the UDRP is where the respondent can establish that legitimate non-commercial or fair use⁴¹³ of the domain name has been made without the intention of commercial gain by

have a legitimate interest in the domain name ‘redbull.org’, as the respondent did not adduce proper evidence of the use of the nickname ‘Red Bull’. For a more detailed discussion of the use of nicknames for the purposes of paragraph 4(c)(ii), see Lindsay op cit note 9 ¶ [6.8.3].

⁴¹⁰ Bettinger op cit note 14 at 1087-1088.

⁴¹¹ *Laurence St Ives v Orgatech Ltd* WIPO Case No D2000-1588; *Tom Papania v ‘fraud expose’ George Adames, Joe Baffa* WIPO Case No D2001-0978; *RMO Inc v Andy Burbidge* NAF Case No FA96949 (16 May 2001); *Rothschild Bank AG v Rothchild Corporation* WIPO Case No D2001-1112.

⁴¹² Lindsay op cit note 9 ¶ [6.8.1].

⁴¹³ The phrase ‘or demonstrable preparations to use’ in paragraph 4(c)(i) was omitted from paragraph 4(c)(iii). The reason for this omission is unclear. There is also no agreed answer to the question whether the fact that the phrase was not included is to be interpreted to mean that paragraph 4(c)(iii) is intended to apply only to cases of actual use of the disputed domain name, and not to cover mere preparations to use. The preferred answer is that intentions or preparations to make non-commercial or fair use of a domain name should be sufficient for the purposes of paragraph 4(c)(iii), see *Football Club des Girondins de Bordeaux v Annie Arr* WIPO Case No D2000-0149; Bender Amy and Kirk Megan ‘UDRP Opinion

misleadingly diverting consumers, or of tarnishing the trade mark or service mark.⁴¹⁴ Paragraph 4(c)(iii) creates a defense in recognition of other non-commercial rights and interests that deserve protection. They include freedom of speech or expression; the reasonable and good-faith use of a descriptive term that is another's trade mark to describe, rather than identify, the user of the mark's goods; personal rights; and 'fair use' rights.⁴¹⁵ The aim of paragraph 4(c)(iii) is, therefore, to establish a balance between trade-mark rights, which are in principle limited in scope, on the one hand, and other potential rights and interests, such as the right of freedom of expression, on the other. It was clear from the WIPO Final Report that this justification would find its way into the UDRP: 'Domain name registrations that are justified by legitimate free speech rights or by legitimate non-commercial considerations would ... not be considered to be abusive'.⁴¹⁶

Although the individual features of this defense seem rather self-explanatory, the application of paragraph 4(c)(iii) has raised a number of thorny issues.

In the first instance, the most controversial issue is the choice of law to apply to a dispute. Different national laws recognise non-commercial 'rights', such as the freedom of expression, to different extents. This undoubtedly leads to inconsistency in panel decisions, in that different panels hand down diverse decisions in cases with substantially the same issues and facts. It is interesting to note the discrepancy between decisions where the right of freedom of expression was at issue in disputes involving parties from the United States of America and similar proceedings involving parties from other national jurisdictions.⁴¹⁷ With the former, there is a clear tendency to protect the respondent's rights to freedom of expression in terms of the First Amendment of the American Constitution to a greater extent than with parties and/or panelists from other national jurisdictions, where other national laws were applied.⁴¹⁸

Guide' (2003) *Berkman Center for Internet and Society, Harvard Law School* at section [4.2.3.2.2], available at <<http://cyber.law.harvard.edu/udrp/opinion/contents.html>> (accessed 2 November 2010).

⁴¹⁴ Paragraph 4(c)(iii) of the UDRP.

⁴¹⁵ For a detailed discussion of 'fair use' examples, see Lindsay op cit note 9 ¶¶ [6.9.1] and [6.9.2].

⁴¹⁶ WIPO Final Report ¶ [172].

⁴¹⁷ The parties to a domain name dispute may submit the names and details of candidates to serve as panelists in terms of paragraphs 3(b)(iv), 5(b)(v), and 6 of the UDRP Rules. Parties from the United States of America almost invariably select panelists from the United States.

⁴¹⁸ See further section 3.2.2.3.1 below; Lindsay op cit note 9 ¶ [6.9].

Secondly, the inclusion of the phrase 'or to tarnish the trademark or service mark at issue' in paragraph 4(c)(iii) is problematic. Technically, any form of use of a trade mark that leads to the tarnishment of the trade-mark proprietor is viewed as infringing use of the mark in terms of the notion of trade-mark dilution. Dilution by what is known as tarnishment occurs if a well-known trade mark is used in relation to inferior goods or services, or in a degrading or offensive context, which lead to an unfavourable association in the public mind. The trade mark is not only diluted by the erosion of its character, but the good name of the mark or the positive reputation of the mark is also tarnished if it is used in a negative or offensive connotation.⁴¹⁹ A finding of tarnishment of the complainant's mark in the traditional trade-mark law sense, may lead to various rights and interests (such as freedom of expression, in the event of respondents operating gripe sites) being denied. Although the meaning of the term 'tarnishment' in the UDRP context is, according to the ICANN Second Staff Report, 'limited to acts done with intent to commercially gain',⁴²⁰ an overly broad interpretation of the term has actually resulted in a number of respondents being denied their rights and legitimate interests.⁴²¹ This was surely not envisaged by the drafters of the UDRP.

The use of disparaging or offensive additions to trade marks in domain names should not of itself lead to a finding of tarnishment for the purposes of paragraph 4(c)(iii). A narrow interpretation of 'tarnish' is more appropriate, in that the addition of disparaging or offensive terms to the complainant's trade mark as a domain name which is used for non-commercial criticism or parody should not of itself lead to a finding of trade-mark tarnishment for the purposes of paragraph 4(c)(iii).⁴²² Domain names of criticism web sites should not all be regarded as necessarily exhibiting intent on the part of the respondent to tarnish the complainant's mark. The question which should be foremost in the minds of a UDRP panel should therefore not be whether there is intent to tarnish the complainant's trade mark, thereby rendering the question whether there is legitimate non-commercial or fair use inoperative. The first question to be asked should rather be

⁴¹⁹ See Pistorius Tana 'Trade-Mark Tarnishment: Should We "Laugh It Off" all the Way to "Telkomsucks" and "Hellcom"?' (2004) 16 *SA Merc LJ* 727 at 728; Webster and Page op cit note 188 ¶ 12.24; discussion of well-known marks chapter 3 section 2.2.2 above.

⁴²⁰ ICANN Second Staff Report ¶ [4.5,c].

⁴²¹ *Mission KwaSizabantu v Benjamin Rost* WIPO Case No D2000-0279; *The Royal Bank of Scotland Group and National Westminster Bank v Pedro Lopez* WIPO Case No D2002-0823.

⁴²² Bettinger op cit note 14 at 1090.

whether the use of the domain name that is identical or confusingly similar to the complainant's trade mark amounts to the legitimate non-commercial or fair use. The reference to the intention to tarnish in paragraph 4(c)(iii) should be interpreted to apply only if the complainant's trade mark is used in such a way as to create an unseemly or degrading association with the trade mark, for example, by associating, through the use of the disputed domain name to link to web sites which reflect unrelated pornographic, violent, or offensive images or information with an otherwise wholesome trade mark.⁴²³

Paragraph 4(c)(iii) has been prominent in UDRP jurisprudence in respect of criticism (or, gripe) sites, and fan sites, each of which I shall discuss in detail below.

3.2.2.3.1 Legitimate Non-Commercial or Fair Use: Criticism Web Sites

Since the inception of the UDRP the question as to whether the use of a domain name that identifies a non-commercial criticism web site that is confusingly similar to a trademark proprietor's trade mark can establish rights or legitimate interests in the disputed domain name has been the subject of profound division among UDRP panelists. The division essentially points to the divergent reasoning of panelists regarding the inherent tension between trade-mark rights, on the one hand, and the internationally recognised and protected right of freedom of speech or expression, on the other hand, in the context of paragraph 4(a)(iii). In the absence of a majority view and a minority view, the WIPO Overview⁴²⁴ instead reflects two competing views that represent the differing approaches of UDRP panelists in the present context.

In terms of the first view, '[t]he right to criticize does not extend to registering a domain name that is identical or confusingly similar to the owner's registered trademark or conveys an association with the mark'.⁴²⁵

This view is favoured mostly by UDRP panelists from outside the United States.⁴²⁶ In

⁴²³ Lindsay op cit note 9 ¶ [6.9.6]; *Nicole Kidman v Cupcake Party*, John Zuccarini WIPO Case No D2000-1415; *Britannia Building Society v Britannia Fraud Prevention* WIPO case No D2001-0505.

⁴²⁴ WIPO Overview ¶ 2.4.

⁴²⁵ Ibid.

⁴²⁶ Moran Chris 'Domain Names: Comments on WIPO's New Overview of Selected UDRP Questions' (2005) 21 *Computer and Security Report* 496 at 498; Prentoulis Nikos 'Freedom of Political Speech Prevails over Common Law Mark Rights in a WIPO Domain Name Decision Inspired by US Constitutional

terms of this view, the registration by the respondent of an identical or confusingly similar domain name, although for the purposes of criticism, does not amount to the 'legitimate non-commercial or fair use' of the disputed domain name. The focus here is on the domain name itself, which is believed to cause harm to the trade-mark proprietor, even before possible confusion may be dispelled by the content of, or disclaimers on, the registrant's web site. In *Estée Lauder Inc v Estelauder.com*,⁴²⁷ the panel remarked:

'A distinction must be drawn between the domain name itself and the contents of the site which is reached through the domain name [...]. The fact that the users, once so diverted or attracted, are confronted with numerous disclaimers does not cure the initial and illegitimate diversion.'

UDRP decisions following this approach reason that the fact that the true source and nature of the web site becomes apparent as soon as Internet users arrive on the web site, does not distract from the reality that harm has already been caused to the trade-mark proprietor and the Internet user has already been deceived.⁴²⁸

Panelists supporting this view contend that registrants are free to register a domain name that clearly indicates the registrant's intention of conveying criticism, and so indicating that the registrant is not associated with the trade-mark proprietor in any way. These panelists reason that this by no means diminishes a registrant's ability to exert its rights of freedom of speech or expression.⁴²⁹ This view was clearly expressed in *Compagnie de Saint Gobain, Saint-Gobain Vitrages v Com-Union Corp*:⁴³⁰

'The issue at hand is however not as the Respondent seems to contend, the freedom of speech and expression.... [T]he Respondent could have chosen a domain name adequately reflecting both the object and independent nature of its site, as evidenced today in thousands of domain names.'

In *Monty and Pat Roberts Inc v Bill Keith*,⁴³¹ the panel similarly stated that –

Principles' (2009) 11 *J of Intellectual Property Law and Practice* 781 at 782.

⁴²⁷ WIPO Case No D2000-0869.

⁴²⁸ See, for example, *Skattedirektoratet v Eivind Nag* WIPO Case No D2000-1314; *Myer Stores Limited v Mr David John Singh* WIPO Case No D2001-0763; *Tridios Bank NV v Ashley Dobbs* WIPO Case No D2003-0166; *The Royal Bank of Scotland Group plc, National Westminster Bank plc a/k/a NatWest Bank v Personal and Pedro Lopez* WIPO Case No D2003-0166; *Justice for Children v R Neetso* WIPO Case No D2004-0175.

⁴²⁹ Lindsay op cit note 9 ¶ [6.9.8].

⁴³⁰ WIPO Case No D2000-0020.

⁴³¹ WIPO Case No D2000-0299.

'... the right to express one's views is not the same as the right to use another's name to identify one's self as the source of those views. One may be perfectly free to express his or her views about the quality or characteristics of the reporting of the New York Times or Time Magazine. That does not, however, translate into a right to identify one's self as the New York Times or Time Magazine.

... In the instant case, the panel does dispute the respondent's right to establish and maintain a web site critical of the Complainant (without prejudice to any claims the Complainant may have regarding the truthfulness and intent of such criticism). However, the panel does not consider that this gives the Respondent the right to identify itself as the Complainant.⁴³²

The rationale for this view is that registrants who purport to use domain names for the purposes of legitimate and fair use criticism web sites should identify themselves with a domain name that enables Internet users to distinguish whether they want to visit a web site that criticises the trade-mark proprietor or the trade-mark proprietor's own web site.⁴³³ While panels in support of this view acknowledge a respondent's right to exercise the right to freedom of speech or expression by creating web sites critical of trade-mark proprietors, and/or their goods or services, the panels are unequivocal that these rights do not entitle registrants to use a domain name identical or confusingly similar to the trade-mark proprietor's trade mark in order to exercise these rights.⁴³⁴ Recently, in *Sutherland Institute v Continuitive LLC*,⁴³⁵ the panel answered the question of whether the free speech or expression interest in a disputed domain name is so compelling that it takes precedence over a trade-mark proprietor's rights to the negative:

'The panel is not convinced that Respondent's free speech interests take such significant precedence over Complainant's interest in being properly identified by the public as to cause the Respondent to have a legitimate interest in the disputed domain name, as such'.⁴³⁶

In terms of the second view,

⁴³² See also *Migros Genossenschaftsbund (Federation of Migros Cooperatives) v Centro Consulenze Kim Paloschi* WIPO Case No D2000-1171.

⁴³³ See also *Grupo Picking Pack SA f/k/a Grupo Hispano-Suiza SA v Prospero Moran and Asturnet SL* WIPO Case No D2000-1220; *Gardere Wynne Sewell LLP v DefaultData.com* WIPO Case No D2001-1093; *Riyad Bank v J Boschert* WIPO Case No D2001-1235; *British Nuclear Fuels plc v Greenpeace International* WIPO Case No D2001-1318; *Westminster Savings Credit Union v Hart Industries Inc and Gregory Hart* WIPO Case No D2002-0637; *Kirkland and Ellis LLP v DefaultData.com* WIPO Case No D2004-0136; *Moss and Coleman Solicitors v Rick Kordowski* WIPO Case No D2006-1066; *Chubb Security Australia Pty Limited v Mr Shahim Tahmasebi* WIPO Case No D2007-0769.

⁴³⁴ For further discussions of this view, see Bettinger op cit note 14 at 1092; Hurter op cit note 308 at 441; Kur op cit note 82 at 40; Legler Thomas 'The Second UDRP Element: Respondent's Rights or Legitimate Interests' Presentation The 5th IDRC International Seminar 18 May 2007; Lindsay op cit note 9 ¶ [6.9.8].

⁴³⁵ WIPO Case No D2009-0693.

⁴³⁶ For a more detailed discussion of *Sutherland Institute*, see Prentoulis op cit note 426 at 447.

'[i]rrespective of whether the domain name as such connotes criticism, the respondent has a legitimate interest in using the trademark as part of the domain name of a criticism site if the use is fair and non-commercial'.⁴³⁷

This generally prevails in decisions in which American parties and panelists are involved. This approach is similar to and clearly influenced by the approach of American courts which have held that the First Amendment of the United States Constitution protects the right of a critic to register a domain name which consists of, or contains a trade-mark proprietor's mark, for the use of a non-commercial web site that is critical of the trade-mark proprietor.⁴³⁸ These panels reason that the non-commercial use of a trade mark as a domain name in order to criticise the trade-mark proprietor can do so by virtue of the constitutionally protected rights to freedom of speech or expression, which accordingly constitutes a right or legitimate interest within the meaning of paragraph 4(a)(iii). Anyone who intends publicly to criticise a particular business on the Internet should be at liberty to do so under a domain name that enables Internet users easily to find such a web site, provided that the use of such a domain name does not involve a commercial interest and does not give rise to confusion.⁴³⁹ The Internet, it is reasoned, was, after all, a framework for global communication, and the right to freedom of speech or expression should be one of the foundations of Internet law.⁴⁴⁰

In *Howard Jarvis Taxpayers Association v Paul McCauley*,⁴⁴¹ the most cited decision supporting this second view, the panel expressed the opinion that the main function of the UDRP was to prevent abusive cybersquatting, and that the UDRP did not extend to insulating trade-mark proprietors from contrary or critical views when such views are legitimately expressed without an intention of commercial gain:

⁴³⁷ WIPO Overview ¶ 2.4.

⁴³⁸ See, for example, *Bally Total Fitness Holding Corp v Faber* 29 F Supp 2d 1161 (CD Cal 1998); *Taubman Co v Webfeats* 319 F3d 770 (6th Cir 2003); *Nissan Motor Co v Nissan Computer Corp* 378 F3d 1002 (9th Cir 2004); *Lamparello v Falwell* 420 F3d 309 (4th Cir 2005); *Penn Warranty v DiGiovanni* 810 NYS 2d 817 (NY Sup Ct 2005); *Taylor Building Corp of Am v Benfield* 507 F Supp 2d 832 (SD Ohio 2007); *Utah Lighthouse Ministry Inc v Discovery Computing Inc* 506 F Supp 2d 895 (D Utah 2007).

⁴³⁹ Bettinger op cit note 14 at 1090.

⁴⁴⁰ See also *Bridgestone Firestone Inc, Bridgestone/Firestone Research Inc and Bridgestone Corporation v Jack Myers* WIPO Case No D2000-0190; *TMP Worldwide Inc v Jennifer L Potter* WIPO Case No D2000-0536; *Britannia Building Society v Britannia Fraud Prevention* WIPO Case No D2001-0505; *Action Instruments Inc v Technology Associates* WIPO Case No D2003-0024; Hurter op cit note 308 at 442; Legler op cit note 434 at 427; Lindsay op cit note 9 ¶ [6.9.9].

⁴⁴¹ WIPO Case No D2004-0014.

'That is true even if the critical views are unfair, overstated, or flat-out lies, and even if they are posted at trademark.TLD websites. Use of the Policy to provide such insulation may undermine freedom of discourse on the Internet and undercut the free and orderly exchange of ideas that the First Amendment seeks to promote.'

A third view (also known as the 'totality of circumstances' approach) has since the publication of the WIPO Overview been adopted by a number of UDRP panels to determine whether a respondent had a right or legitimate interest in the disputed domain name for the purposes of paragraph 4(c)(iii). In terms of this view, all the surrounding circumstances of a particular domain-name dispute in which the domain name is claimed to be used for the purposes of a criticism web site (such as the nature of the criticism, the relationship of the parties, the presence of disclaimers, and evidence of actual confusion) should be examined to determine whether the use of the domain name amounts to legitimate non-commercial or fair use.⁴⁴²

This approach was first followed in *Covance Inc v The Covance Campaign*.⁴⁴³ Although the domain name consisted of the complainant's trade mark and the neutral term 'campaign', which was not clearly pejorative or negative (such as 'sucks'), which would have led to an initial association with the complainant on the part of Internet users in terms of the first view, the panel was of the opinion that any initial confusion would be 'minimal', as the content of the respondent's web site clearly dispelled any possibility of an association with the complainant.

More recently, in *Mercury Radio Arts Inc and Glenn Beck v Isaac Eiland-Hall*,⁴⁴⁴ the panel also based its decision on the 'total effect' created by the domain name and the content of the web site. It held that the respondent had rights and legitimate interests which deserve protection in terms of the right to freedom of speech. An initial association with the complainant on the part of Internet users can, according to this view, be dispelled or counteracted if the 'totality of the circumstances' clearly indicate that the name is used for a criticism web site.⁴⁴⁵

Which view should be preferred?

⁴⁴² Lindsay op cit note 9 ¶ [6.9.10].

⁴⁴³ WIPO Case No D2004-0206.

⁴⁴⁴ WIPO Case No D2009-1182.

⁴⁴⁵ See also *CBS Broadcasting Inc f/k/a CBS Inc v Nabil Zaghloul* WIPO Case No D2004-0988; *Ryanair Limited v Michael Coulston* WIPO Case No 2006-245.

The definitive split among UDRP panels regarding the treatment of criticism web sites for the purposes of paragraph 4(c)(iii) not only points to the fundamental tensions regarding the interpretation and application of the UDRP, but also mirrors the difficulty balancing the rights of freedom of speech or expression and trade-mark rights in the context of trade-mark law.⁴⁴⁶ There is merit to all three views I discussed above. The primary goal and original limited scope of the UDRP provide a good point of departure when one has to evaluate the respective merits of the different approaches.

The UDRP never intended to provide trade-mark proprietors with pre-emptive rights over the registration of all domain names that reflect the proprietor's trade mark. The UDRP protects, to a certain extent, commercial rights to a trade mark, which rights are held by the respondent (paragraph 4(c)(i)), and also the rights and interests in a domain name by which the respondent is commonly known (paragraph 4(c)(ii)), thus certain commercial rights and certain personal rights. Paragraph 4(c)(iii) was obviously inserted to protect the rights of freedom of speech or expression. In concluding, as proponents of the first view do, that a respondent who registered an identical or a confusingly similar domain name for the purposes of a criticism site can, in principle, not have rights or legitimate interests in the domain name is, effectively to acknowledge that rights to and interests in freedom of speech or expression are somehow of a lesser value than the rights and interests associated with the commercial or personal rights to a domain name.⁴⁴⁷ If the primary goal of the UDRP were to prevent 'bad faith', abusive registration and use of domain names' and it was not directed at stifling criticism on the Internet, the second view, as a matter of policy, hold more water than the first view. This does not deprive trade-mark proprietors of protection over their marks – it simply does not provide them with pre-emptive rights.

There are limitations inherent in the application of paragraph 4(c)(iii), in that only web sites that are truly criticism sites have rights or legitimate interests in the domain name, provided that such sites are non-commercial, have no intent of commercial gain or misleadingly to divert consumers, and no intent, for commercial gain, to tarnish the trade-mark proprietor's mark. In this lies the balance between trade-mark rights and rights of freedom of speech

⁴⁴⁶ Lindsay op cit note 9 ¶ [6.9.11].

⁴⁴⁷ Ibid.

and expression. Simply put, the UDRP does not have as its primary aim the prevention of the use of a trade mark as the domain name for a genuine criticism web site; in the absence of bad faith, the UDRP should not be utilised to achieve such an aim.⁴⁴⁸

Should national law apply?

As was suggested in *Howard Jarvis Taxpayers Association v Paul McCauley*,⁴⁴⁹ the split between the two views held by UDRP panelists seems to reflect the difference in the national laws of the parties and the panelists.⁴⁵⁰ The question can now be asked – is it appropriate to base decisions on the peculiarities of national laws, or is it more desirable to apply a single body of law in all UDRP decisions?

Unsurprisingly, UDRP panels give different answers to this question. Since *Howard Jarvis*, some panels have expressly considered this question, and mostly panelists from the United States have favoured the application of national laws to help ‘ensure consistent application of the law and discourage unnecessary litigation’.⁴⁵¹ Their argument is that UDRP decisions may otherwise be inconsistent with the expected results in some countries’ national courts, which would lead, at least in the United States, to a large number of legal challenges (the first view, for example, would be inconsistent with American legislation and case law).⁴⁵²

By contrast, European panelists favour the view that particular national laws should not be considered, and that the UDRP should be viewed as an autonomous body of rules to be governed by a single set of principles. To these panelists, there is no real justification for the application of specific national laws. They also note that such an approach risks fragmenting the UDRP into a set of different systems, where the outcome depends on where the parties to the dispute happen to be located.⁴⁵³ They

⁴⁴⁸ Ibid.

⁴⁴⁹ WIPO Case No D2004-0014.

⁴⁵⁰ In terms of paragraphs 3(b)(iv), 5(b)(v), and 6 of the UDRP, the parties to a dispute may submit the names and details of candidates to serve as panelists; parties from the United States almost always select American panelists.

⁴⁵¹ *XtraPlus Corporation v Flawless Computers* WIPO Case No D2007-0070.

⁴⁵² *Sermo Inc v CatalystMD, LLC* WIPO Case No D2008-0647.

⁴⁵³ *1066 Housing Association Ltd v Mr D Morgan* WIPO Case No D2007-1461.

argue that the Internet is an international medium, and that uniformity in the international application of the UDRP is desirable. Accordingly, paragraph 4(c)(iii) should be given an autonomous meaning based on its terms and context.⁴⁵⁴

Even though the WIPO Final Report⁴⁵⁵ indicates that if the parties are resident in one country, the domain name is registered through a registrar in that country, and the evidence of bad faith arose from activities in that country, that it was then appropriate to refer to laws of that country,⁴⁵⁶ and paragraph 15(a) of the Rules states that a panel should decide cases in terms of the documents submitted to it, the UDRP, the Rules, and 'the principles of law it deems applicable', the UDRP itself is silent on this issue and contains no provision specifically dealing with the authority of national law or precedent. So there is no final answer to the question as to whether particular national laws should be applied, especially where the parties are from different national jurisdictions.

I prefer the view that UDRP panels should not apply legislation or precedent from any particular national jurisdiction, and that the UDRP should be interpreted as a body of rules that have been developed autonomously to resolve domain name disputes.⁴⁵⁷ Panels should fall back on national law and precedent only if they find it helpful and appropriate to resolving issues that have not been dealt with conclusively in terms of the UDRP or previous panel decisions.⁴⁵⁸

3.2.2.3.2 'Fan' Web Sites

Will the defense of a legitimate non-commercial use of a domain name that is identical or confusingly similar to the name of a well-known personality for the purposes of paragraph 4(c)(iii) be upheld by a UDRP panel if the domain name merely provides information about, or serves as platform to convey praise of, sport stars, actors, politicians, artists, or other celebrities, without pursuing any commercial interest?

To answer this question, one has to note the distinction between the wording and consequent different approaches of UDRP panels to paragraphs 4(c)(i) and 4(c)(iii). Unlike

⁴⁵⁴ *Fundación Calvin Ayre Foundation v Erik Deutsch* WIPO Case No D2007-1947.

⁴⁵⁵ WIPO Final Report ¶ [176].

⁴⁵⁶ See also Freedman and Deane op cit note 250 at 405.

⁴⁵⁷ Hurter op cit note 308 at 446.

⁴⁵⁸ The IP Think Tank 'UDRP: Problem or Solution?' (2005) 175 *Trade Mark World* 24 at 29.

paragraph 4(c)(i), which provides for ‘demonstrable preparations to use’,⁴⁵⁹ paragraph 4(c)(iii) provides for the ‘making’ of legitimate non-commercial or fair use. It is clear from UDRP practice that the respondent must clearly be able to show by stating specific facts or providing evidence that the domain name is actively used for the purposes of a non-commercial fan site. Merely claiming an intent to set up a fan site, or demonstrable preparations to use the domain name for a fan site, is not sufficient to establish a legitimate interest for the purposes of paragraph 4(c)(iii).⁴⁶⁰ As was stated by the compilers of the WIPO Overview:

‘This section only deals with fan sites that are clearly active and non-commercial. There are many UDRP cases in which the respondent claims to have an active non-commercial fan site but the panel decides otherwise.’⁴⁶¹

As was the case with ‘criticism’ sites, there is a very definite and ongoing division among UDRP panels regarding the proper approach to fan sites for the purposes of paragraph 4(c)(iii). Two major views can again be distinguished; they correspond to the two major views about criticism web sites.

The WIPO Overview states the first view as follows:

‘An active and clearly non-commercial fan site may have rights and legitimate interests in the domain name that includes the complainant’s trademark. The site should be non-commercial and clearly distinctive from any official site.’⁴⁶²

This first view, which largely corresponds to the second view to criticism sites, is that a respondent can, in certain circumstances, have a right or legitimate interest in a domain name that is identical or confusingly similar to the complainant’s trade mark, as long as the web site is non-commercial and the (initial) confusion that is created by a domain name that is identical or confusingly similar to the complainant’s trade mark is dispelled by the content of the web site and a disclaimer of association.⁴⁶³

⁴⁵⁹ See section 3.2.2.1.2 above.

⁴⁶⁰ See *Helen Fielding v Anthony Corbert* WIPO Case No D2000-1000; *Edward Van Halen v Deborah Morgan* WIPO Case No D2000-1313; *Julie Brown v Julie Brown Club* WIPO Case No D2000-1628; *Freddy Adu v Frank Fushille* WIPO Case No D2004-0682; *Seagate Technology LLC v Wang Zhanfeng* NAF Case No FA635276 (10 March 2006); *Jay Leno v Garrison Hintz* WIPO Case No D2009-0569.

⁴⁶¹ WIPO Overview ¶ 2.5.

⁴⁶² *Ibid.*

⁴⁶³ See *Estate of Gary Jennings v Submachine* WIPO Case No D2001-1042; *2001 White Castle Way Inc v Glyn O Jacobs* WIPO Case No D2004-0001; *Pearl Jam v Streaming Digital Media Dot Com* NAF Case No FA235831 (29 March 2004); *Blind Melon v KWI* NAF Case No FA741833 (21 August 2006).

The WIPO Overview states the second view as follows:

'Respondent does not have rights to express its view, even if positive, of an individual or entity by using a confusingly similar domain name, as the respondent is misrepresenting itself as being that individual or entity. In particular, where the domain name is identical to the trademark, the respondent, in its actions, prevents the trademark holder from exercising the rights to its mark and managing its presence on the Internet.'⁴⁶⁴

This second view, which essentially corresponds to the first view to criticism sites, is that a respondent who registers a domain name that is identical or confusingly similar to the trade-mark proprietor's trade mark, even though for the purposes of a 'fan' site, cannot constitute the 'legitimate non-commercial or fair use' of the domain name. The focus is on the domain name itself, which is believed to cause harm to the trade-mark proprietor even before possible confusion or an association with the trade-mark proprietor might be dispelled by the content of, or disclaimers on, the respondent's web site.⁴⁶⁵ The panel in *David Foux v Kung Fox and Bill Hicks*⁴⁶⁶ eloquently summarised this view:

'... the Panel is nonetheless satisfied that a use of a domain name to cause confusion to Internet users by impersonating the trade mark owner cannot give rise to a right or legitimate interest whether the motivation is commercial or non-commercial. Essentially, any use which gives rise to a right or legitimate interest must be fair and impersonation is not fair.'⁴⁶⁷

3.2.2.3.3 Rights or Legitimate Interests in Domain Names that Consist of or Contain Descriptive or Generic Terms

As generic terms (for example, 'boy', 'girl', 'cats', 'dogs', 'golf', and 'law') can be found in any dictionary and form part of general language usage, they characteristically do not distinguish the goods or services of one proprietor from the goods or services of another; put differently, generic terms are not inherently distinctive. One could accordingly expect that it would be possible for anyone to register a domain name that consists of a generic term, provided that such person is, of course, the first to do so. The fact that a domain name has a descriptive or generic character is frequently raised by respondents who claim rights in terms of the domain name. Respondents often

⁴⁶⁴ WIPO Overview ¶ 2.5.

⁴⁶⁵ See *David Gilmour v Ermanno Cennicola* WIPO Case No D2000-1459; *Galatasaray Spor Kulubu Dernegi v Maksimum Iletisim AS* WIPO Case No D2002-0726; *Tia Carrere v Steven Baxt* WIPO Case No D2005-1072; *Tom Cruise v Alberta Hot Rods* WIPO Case No D2006-0560; *Pepperdine University v BDC Partners Inc* WIPO Case No D2006-1006.

⁴⁶⁶ WIPO Case No D2008-0472.

⁴⁶⁷ See further Bettinger op cit note 14 at 1100-1102; Hart op cit note 78 at 159; Legler op cit note 434 at 427; Lindsay op cit note 9 ¶ [6.9.12]; Lipton op cit note 237 at 1414-1419; Moran op cit note 426 at 498.

allege that a complainant cannot assert a right to the name other than in the area in which the complainant itself does business, and that there is consequently no reason for the respondent to assume that the name was protected, and that the respondent thus did not act in bad faith.

Although these suggestions may hold water, it is entirely possible that a complainant may have established registered or unregistered trade-mark rights to a mark that consists of, or contains, descriptive or generic terms. What complicates the situation is the fact that originally generic or descriptive terms may have acquired a secondary meaning in one part of the world but not in another, and that a term may carry different meanings in different languages.

Where generic or descriptive terms form part of the domain name, the panel often needs to consider and assess subjective factors, such as the respondent's true motives or knowledge of the complainant's rights to the term.⁴⁶⁸ The general approach followed by UDRP panels is summarised thus in the WIPO Overview:

'If the complainant makes a prima facie case that the respondent has no rights or legitimate interests, and the respondent fails to show one of the three circumstances under Paragraph 4(c) of the Policy, then the respondent may lack a legitimate interest in the domain name, even if it is a domain name comprised of a generic word(s). Factors a panel should look for when determining legitimate use would include the status and fame of the mark, whether the respondent has registered other generic names, and what the domain name is used for (a respondent is likely to have a right if it uses [sic] for a site for apples but not if the site is aimed at selling computers or pornography).'⁴⁶⁹

Accordingly, where a complainant has proved prima facie rights to a generic or descriptive term, and the respondent cannot show the use of, or the making of demonstrable preparations to use, the domain name in connection with the bona fide offering of goods or services (for the purposes of paragraph 4(c)(i)), or the making of legitimate non-commercial or fair use of the domain name (for the purposes of paragraph 4(c)(iii)), the question to be answered by a UDRP panel when it determines the respondent's rights or interests to a disputed domain name consisting of, or containing, a generic or descriptive term, usually turns on the respondent's bona fides.

⁴⁶⁸ Kur op cit note 82 at 42.

⁴⁶⁹ WIPO Overview ¶ 2.2.

When a panel assesses the bona fides of the respondent, it should consider carefully whether the generic or descriptive domain name corresponds to a famous or well-known trade mark. If a respondent claims that the disputed domain name which contains generic or descriptive terms that correspond with a famous or well-known trade mark was not registered in bad faith but on the basis of the generic or descriptive characteristics of the domain name, a proper examination should be conducted to establish whether this defense is not merely a pretext.⁴⁷⁰ A mere reliance on the descriptive or generic meaning of the domain name as a legitimate interest is not sufficient where famous or well-known marks are an issue. Rather, the actual use of the domain name for the offering of goods or services, or demonstrable preparations for such use, must be shown.⁴⁷¹

Even if the complainant's trade mark is not famous or well known, and the surrounding circumstances show that the respondent knew about the complainant's trade mark, the reliance on the descriptive or generic meaning of the domain name in the absence of the actual use of, or demonstrable preparations to use, the domain name, it can reasonably be surmised that the descriptive or generic nature of the terms is merely a pretext, and that there is consequently no legitimate interest.⁴⁷² The assumption of a legitimate interest may be countered even though the domain name corresponds to a common dictionary term in light of the circumstances of the specific case.⁴⁷³

Where domain names which consist of, or contain, generic or descriptive terms have been used by the respondent for the bona fide offering of goods or services, or where

⁴⁷⁰ See, *Société des Hotels Meridien SA v United States of Moronica* WIPO Case No D2000-0405 ('lemeridien.com'); *The Body Shop International PLC v Simon Keyes* WIPO Case No D2000-1054 ('the-body-shop-digital.com'); *Société Générale v Kellerbauer* WIPO Case No D2005-0816 ('societegenerale.com'); *Phillip Morris USA Inc v Prophet Partners Inc* WIPO Case No D2007-1614 ('Marlboro.biz'); *The Saul Zaentz Company d/b/a Tolkien Enterprises v CheapYellowPages.com/Brian Wick* WIPO Case No D2008-0021 ('hobbits.com').

⁴⁷¹ Bettinger op cit note 14 at 1062.

⁴⁷² See *Easyjet Airline Company Limited v Andrew Steggles, Easy-Jet Vacuums* WIPO Case No D2000-0024 ('easyjet.com'); *TV Globo Ltda v Radio Morena* WIPO Case No D2000-0245 ('jornalnacional.com'); *The Federation of Gay Games Inc v Gary Scanlon* WIPO Case No D2000-0432 ('gaygames.com'); *Emmanuel Vincent Seal v Ron Basset* WIPO Case No D2002-1058 ('completesportsbetting.com').

⁴⁷³ See *Südchemie AG v tonsil.com* WIPO Case No D2000-0376 ('tonsil.com'); *402 Shoes Inc dba Trashy Lingerie v Jack Weinstock* WIPO Case No D2000-1223 ('trashylingerie.com'); *Owens Corning Fiberglass Technology Inc v Hammerstone* WIPO Case No D2002-1058 ('cultured-stone.com'); *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642 ('pronaturalmuscle.com'). See also Bettinger op cit note 14 at 1060; Lindsay op cit note 9 ¶ [6.10].

respondents can indicate that preparations have been made to use such a domain name for the purposes of paragraph 4(c), panels have, generally, considered the respondent to have a legitimate interest in the domain name.⁴⁷⁴ However, where the domain name is registered to take advantage of a trade mark and is used in an infringing manner by way of the domain name linking to a web site which offer competitive goods or services, it would not constitute a legitimate interest.⁴⁷⁵

Even if the domain name which consists of, or contains, a generic or descriptive term is not yet being used for the offering of goods or services, or respondents cannot prove that preparations for such use is being made, panels should, in principle, be satisfied that the respondent actually has a legitimate interest in the domain name, provided that there are no indications of bad faith.⁴⁷⁶ The WIPO Overview states:

‘If a respondent is using a generic word to describe his product/business or to profit from the generic value of the word without intending to take advantage of complainant’s rights in that word, then it has a legitimate interest’.⁴⁷⁷

Absent bad faith, therefore, the maxim prior tempore potior iure should apply, in that the first person to register a generic or descriptive term as a domain name should have a legitimate interest in that domain name. In *Target Brands Inc v Eastwind Group*,⁴⁷⁸ the panel determined that the word ‘target’ was a generic term and a common word, and that the complainant could not possibly have a monopoly over all domain names containing the word ‘target’. The panel reasoned that ‘where a domain name is generic, the first person to register it in good faith is entitled to the domain name and this is considered a legitimate interest’. Likewise, in the complaints in which the generic domain names ‘soccerzone.com’,⁴⁷⁹ ‘zero.com’,⁴⁸⁰ ‘cartoys.net’,⁴⁸¹ ‘racegirl’,⁴⁸²

⁴⁷⁴ See *Eauto LLC v Triple S Auto Parts d/b/a Kung Fu Yea Enterprises Inc* WIPO Case No D2000-0047 (‘eautolamps.com’); *City Utilities of Springfield, Missouri aka City Utilities v Ed Davidson* WIPO Case No D2000-0407 (‘cityutilities.com’); *Physik Instrumente GmbH & Co v Jeremy Kerner / Magic Moments Design Ltd, Stefan Kerner* WIPO Case No D2000-1001 (‘pi.com’); *Kaleidoscope Imaging Inc v V Entm’t* NAF Case No FA203207 (5 January 2004) (‘kaleidoscope.com’); *StreetPrices.com Inc v Nett Corp* NAF Case No FA1280020 (10 November 2009) (‘streetprice.com’).

⁴⁷⁵ *No Zebra Network Ltd v Baixaki.com Inc* WIPO Case No D2009-1071.

⁴⁷⁶ Bettinger op cit note 14 at 1058.

⁴⁷⁷ WIPO Overview ¶ 2.2.

⁴⁷⁸ NAF Case No FA267475 (9 July 2004).

⁴⁷⁹ *SOCCERPLEX Inc v NBA Inc* NAF Case No FA0094361 (25 May 2000).

⁴⁸⁰ *International Holdings v Beyonet Services* WIPO Case No D2000-0161.

⁴⁸¹ *Thorntons plc v One in A Million Limited* WIPO Case No D2000-0211.

⁴⁸² *Robert Chestnut v Jennifer Tumminelli* WIPO Case No D2000-1758.

'eplan.com',⁴⁸³ 'choice.com',⁴⁸⁴ 'jettour.com',⁴⁸⁵ 'shoulderdoc.com',⁴⁸⁶ and 'streetprice.com'⁴⁸⁷ were in issue, the panels were satisfied that the respondent had a legitimate interest in the domain name, with specific reference to the descriptive meaning of the domain name. To determine whether the generic or descriptive domain name was registered in good faith, panels would mostly consider the level of distinctiveness of the domain name, and whether the domain name was registered with knowledge of the complainant's rights to the generic or descriptive terms.⁴⁸⁸

An interesting, and somewhat controversial, category of disputes is where panels had to decide whether respondents who registered generic or descriptive domain names in good faith have a legitimate interest if such domain names are offered for sale. Put differently, the question is whether generic or descriptive domain name re-sellers (so-called domain-name brokers) have a legitimate interest for the purposes of paragraph 4(c)(i) of the UDRP, in that the re-selling of the generic or descriptive domain names is regarded as the bona fide offering of goods and services. The majority of panelists believe that the registration of generic or descriptive domain names for the purpose of resale is not in principle prohibited by the UDRP, which is limited to cybersquatting.⁴⁸⁹ The generally accepted view therefore is that the registrants of generic or descriptive domain names will have a legitimate interest in re-selling such a domain name, absent of course, any indication of bad faith.⁴⁹⁰

Where domain names consist of, or contain, generic terms, UDRP panels are, therefore, divided. Although a majority view can be discerned, some panel decisions

⁴⁸³ *EPLAN Software and Service GmbH and Co KG v Chad Folkening, Ecorp.com Inc/Ecast and E-plan* WIPO Case No D2000-0806.

⁴⁸⁴ *Choice Courier Systems Inc v Kirkendale* WIPO Case No D2002-0483.

⁴⁸⁵ *Jet Marques v Vertical Axis Inc* WIPO Case No D2006-0250.

⁴⁸⁶ *Shoulderdoc Limited v Vertical Axis Inc* WIPO Case No D2006-0625.

⁴⁸⁷ *StreetPrices.com Inc v Nett Corp.* NAF Case No FA1280020 (10 November 2009).

⁴⁸⁸ Bettinger op cit note 14 at 1063.

⁴⁸⁹ For examples of the minority view see the dissenting panelist views in *HP Hood LLC v hood.com* NAF Case No FA313566 (20 October 2004); *Shoe Mart Factory Outlet Inc v DomainHouse.com Inc* NAF Case No FA462916 (10 June 2005); See also Lindsay op cit note 9 ¶ [6.11].

⁴⁹⁰ See *Allocation Network GmbH v Steve Gregory* WIPO Case No D2000-0016 ('allocation.com'); *Asphalt Research Technology Inc v National Press & Publishing Inc* WIPO Case No D2000-1005 ('ezstreet.com'); *Micron Technology Inc v Null International Research Center* WIPO Case No D2001-0608 ('crucialtechnology.com'); *Gorstew Limited v Worldwidewebsites.com* WIPO Case No D2002-0744 ('antillesbeaches.com' and 'barbadosbeaches.com'); *The Landmark Group v Digimedia LP* NAF Case No FA285459 (6 August 2004) ('landmarks.com'); *Weather Shield Mfg Inc v Lori Phan* WIPO Case No D2007-1247. See also Lindsay op cit note 9 ¶ [6.11], and the discussion of domain-name brokers and re-sellers in the context of bad faith below.

evidence a rather dangerous and troubling trend. Even though trade-mark rights to generic and descriptive terms are generally regarded as very narrow in terms of established trade-mark law and practice, and although the UDRP is likewise very narrow in its scope (it was created to deal only with abusive domain-name registrations), an unsettling number of UDRP panelists are willing to award a monopoly in generic terms to trade-mark proprietors rather indiscriminately, without much regard to the fundamentals of trade-mark law and the UDRP.⁴⁹¹ Such clear bias towards trade-mark proprietors does not bode well for future UDRP practice, and undermines the UDRP's legitimacy.

3.3 Third Element of Abusive, Bad Faith Registration as Contained in Paragraph 4(a)(iii) of the UDRP: Bad Faith Registration and Use

The third element of an abusive, bad-faith registration in paragraph 4(a)(iii) of the UDRP requires the complainant to prove that 'the domain name has been registered and is being used in bad faith'.

Paragraph 4(a)(iii) effectively implements the main policy motivation for creating the UDRP – to resolve only one type of intellectual property dispute in the online context (the deliberate, bad-faith abuse of rights by cybersquatting).⁴⁹² The WIPO Final Report clearly states that '[t]he cumulative conditions of the first paragraph of the definition make it clear that the behaviour of innocent or good faith domain name registrations is not to be considered abusive'.⁴⁹³

This third element clearly points to the practice that the UDRP was meant to address and accordingly forms the crux of the UDRP. It is hardly surprising that this element has proved to be the most controversial and problematic of the three elements that a complainant needs to prove in order to succeed under the UDRP.

⁴⁹¹ Lewis Brett 'Generic Domain Names Under Attack' July 2008 *DN Journal Newsletter* 1-5, available at <<http://dnjournal.com/newsletters/2008/july.htm>> (accessed 2 November 2010). See also *Orbital Sciences Corporation v Finseth International* WIPO Case No D2007-1482; *House of Spices (India) Inc v DataNet Inc* WIPO Case No D2007-0845; *Aspis Liv Försäkrings AB v Neon Network LLC* WIPO Case No D2008-0387; *SCOLA v Brian Wick d/b/a CheapYellowPages.com* NAF Case No FA1115109 (1 February 2008).

⁴⁹² See the discussion at section 1.3 above.

⁴⁹³ WIPO Final Report ¶ [172].

Paragraph 4(b) of the UDRP provides a non-exclusive list of instances of bad-faith registration and use:

‘For the purposes of paragraph 4(a)(iii), the following circumstances, in particular but without limitation, if found by the panel to be present, shall be evidence of the registration and use of the domain name in bad faith:

- (i) circumstances indicating that you have registered or you have acquired the domain name primarily for the purposes of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out of pocket costs directly related to the domain name; or
- (ii) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- (iii) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- (iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other online location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.’

3.3.1 The Controversial and Problematic ‘and’ in the Third Element

Even during the processes preceding the adoption of the UDRP, particularly when ICANN reviewed the WIPO recommendations, a serious debate raged regarding the possible wording of paragraph 4(a)(iii) of the UDRP.⁴⁹⁴ Commentators representing trade mark interests⁴⁹⁵ argued that the wording of the third element be changed by way of replacing the ‘and’ with an ‘or’, so broadening the scope of the UDRP to include practices, particularly the practice of ‘passive warehousing’, that would fall outside the scope of the Policy if the ‘and’ were retained. Other commentators, particularly those representing the interests of domain-name registrants, felt strongly about the fact that the mere registration of a domain name should not fall within the scope of the UDRP. They argued that broadening the scope of the Policy to include mere registration will lead to an unjustified expansion of trade-mark laws, in terms of which commercial use is required for a finding of trade-mark infringement.⁴⁹⁶ No agreement on the issue was reached, and the ICANN drafting committee reached deadlock on the issue. As a result,

⁴⁹⁴ For a detailed discussion of these processes, see Helfer Laurence R and Dinwoodie Graeme B ‘Designing Non-National Systems: The Case of the Uniform Domain Name Dispute Resolution Policy’ (2001) 43 *William and Mary LR* 141 at 177.

⁴⁹⁵ Notably, the International Trademark Association (INTA).

⁴⁹⁶ See Froomkin op cit note 79 at 655.

ICANN accepted the WIPO proposals as they stood – with the word ‘and’ in paragraph 4(a)(iii).⁴⁹⁷

The fact that paragraph 4(a)(iii) of the UDRP stipulates cumulative requirements (the registration *and* use of the domain name in bad faith) has been debated since the first UDRP decision,⁴⁹⁸ and has since become one of the features of the UDRP.⁴⁹⁹ The word ‘and’ in paragraph 4(a)(iii) of the UDRP is crucial, in that a complainant must prove both registration and use of a domain name in bad faith in order to succeed under the Policy. Although complainants could show that respondents have registered a domain name in bad faith, it was not as simple to indicate that the domain names were being used in bad faith, typically because the domain names were not ‘used’ in the common meaning of the word. Cybersquatters are notoriously inactive: there is no need for a cybersquatter to actually do something with the domain name in order to engage in extortionate behaviour or parasitical practices.⁵⁰⁰

The decision by ICANN to retain the wording of the WIPO proposals show an inadequate understanding at the time of the differences between traditional trade-mark infringement actions, on the one hand, and procedures aimed at providing recourse against cybersquatting, on the other.

Subsequent UDRP panel practice has interpreted the language in the UDRP in such a way as to find bad faith in the absence of any traditional use of the domain name, and, indeed, even in the absence of an active web site.⁵⁰¹

⁴⁹⁷ See ICANN Second Staff Report ¶ [4.5(a)].

⁴⁹⁸ *World Wrestling Federation Entertainment Inc v Michael Bosman* WIPO Case No D1999-0001: ‘It is clear from the legislative history that ICANN intended that the complainant must establish not only bad faith registration, but also bad faith use’.

⁴⁹⁹ See Kur op cit note 82 at 48.

⁵⁰⁰ Although domain-name practice has steadily evolved, the study conducted by the Max Planck Institute for Foreign and International Patent, Copyright and Competition Law in 2001 is significant. The study found that in 47% of domain-name decisions there was no active use of the domain name other than to sell the domain name itself (see Kur op cit note 82 at 49).

⁵⁰¹ Berkman Center op cit note 413 at section [4.2.1.1.3].

3.3.2 Bad Faith ‘Registration’ in the Context of Paragraph 4(a)(iii) of the UDRP

3.3.2.1 Good Faith Registration and Bad Faith Use

The relevant moment for determining bad faith is the moment of the registration of the domain name. Considering the cumulative requirement of ‘registration and use in bad faith’ in paragraph 4(a)(iii) of the UDRP, it has long been held that a complainant will not be able to satisfy the bad-faith requirement if the disputed domain name has been registered in good faith, even if the complainant could show that the domain name was later used in bad faith. An ‘innocent’ registration could accordingly not be rendered abusive within the meaning of the UDRP merely because the registration is subsequently used abusively.⁵⁰² This view is shared by the vast majority of UDRP panelists, and was highlighted in *Teradyne Inc v 4Tel Technology*:⁵⁰³

‘The question whether domain names registered in good faith become infringing is outside the scope of this inquiry.... This panel is not ready to extend the Policy to cover cases clearly intended to be outside its scope.’⁵⁰⁴

The question regarding good-faith registration and subsequent bad-faith use has recently been reconsidered. In *City Views Limited v Moniker Privacy Services/Xander, Jeduyu, ALGEBRALIVE*,⁵⁰⁵ *Phillip Securities Pty Ltd v Yue Hoong Leong*,⁵⁰⁶ and *Octogen Pharmacal Company Inc v Domains By Proxy Inc/Rich Sanders and Octogen e-Solutions*,⁵⁰⁷ which has since become known as the ‘Octogen trio of cases’, the panel undertook a comprehensive and careful review of language of the UDRP and previous decisions to determine whether the requirement of registration and use in bad faith can be satisfied where the domain name in question was registered in good faith but subsequently used in bad faith. Based on a close reading of *Telstra Corporation Limited v Nuclear Marshmallows*⁵⁰⁸ and the wording of paragraph 2 of the UDRP⁵⁰⁹ the panelist in the *Octagen* trio of cases expressed the following views:

⁵⁰² See Willoughby op cit note 342 at 717.

⁵⁰³ WIPO Case No D2000-0026.

⁵⁰⁴ See also *Telaxis Communications Corp v William E Minkle* WIPO Case No D2000-0005; *Interep National Radio Sales Inc v Technical Staffing Corporation* WIPO Case No D2000-0175; *Miele Inc v Absolute Air Cleaners and Purifiers* WIPO Case No D2000-0756; *e-Duction Inc v John Zuccarini, The Cupcake-Party/Cupcake Movies* WIPO Case No D2000-1369; *Leipa Pack Srl v Ulrich Brunhuber* WIPO Case No D2005-0920.

⁵⁰⁵ WIPO Case No D2009-0643.

⁵⁰⁶ ADNDRC Decision DE0900226.

⁵⁰⁷ WIPO Case No D2009-0786.

⁵⁰⁸ WIPO Case No D2000-0003.

⁵⁰⁹ Paragraph 2(d) of the UDRP states that ‘you will not knowingly use the domain name in violation of any applicable laws or regulations. It is your responsibility to determine whether your domain name registration infringes or violates someone else’s rights.’

'Bad faith registration can be deemed to have occurred even without regard to the state of mind of the registrant at the time of registration, if the domain name is subsequently used to trade of the goodwill of the mark holder...'.⁵¹⁰

And,

'[t]his provision ... also includes a representation and warranty by the registrant that it will not now or in future use the domain name in violation of any laws or regulations'.⁵¹¹

As more panels have since adopted essentially the same reasoning as the *Octagen* trio of cases, it seems that in certain circumstances bad-faith use of a domain name alone is sufficient to entitle the complainant to a remedy in terms of the UDRP, even if the domain name was initially registered in good faith.⁵¹² This view does not seem surprising, or undesirable if the respondent is acting in bad faith, whether at the time of registration of the domain name or subsequently.

3.3.2.2 Registration of the Domain Name Before Registration of the Trade Mark

The time at which the complainant's trade mark was registered is not relevant in order to meet the requirement that the complainant must prove trade-mark rights for the purposes of paragraph 4(a)(i) of the UDRP. However, the moment of the trade-mark registration is relevant to determining whether the respondent has registered the domain name in bad faith. As a domain-name registrant in all fairness cannot be expected to have knowledge of an as yet unregistered trade mark, the general rule is that the registration of a domain name that occurs before the complainant has acquired rights to the relevant trade mark will not be regarded as having been made in bad faith. The WIPO Consensus View is that, '[n]ormally speaking, when a domain name is registered before a trademark right is established, the registration of the domain name was not in bad faith because the registrant could not have contemplated the complainant's non-existent right'.⁵¹³

⁵¹⁰ *Octogen Pharmacal Company Inc v Domains By Proxy Inc/Rich Sanders and Octogen e-Solutions* WIPO Case No D2009-0786.

⁵¹¹ *Ibid.*

⁵¹² See *Ville de Paris v Jeff Walter* WIPO Case No D2009-1278; *Denver Newspaper Agency v Jobing.com LLC* NAF Case No FA1282148 (16 October 2009).

⁵¹³ WIPO Overview ¶ 3.1.

A substantial number of panel decisions illustrate the operation of the WIPO Consensus View.⁵¹⁴

An exception to this general principle can, however, be made if it is clear from the particular circumstances of the case that the respondent had knowledge of the complainant's potential rights, and registered the domain name with the expectation of taking advantage of the rights that may arise from the future use or registration of the complainant's mark. The WIPO Consensus View specifically refers to this exception:

'In certain situations, when the respondent is clearly aware of the complainant, and it is clear that the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found. This often occurs after a merger between two companies, before the new trademark rights can arise, or when the respondent is aware of the complainant's potential rights, and registers the domain name to take advantage of any rights that may arise from the complainant's enterprises.'⁵¹⁵

Circumstances that can point to the bad-faith registration of the domain name in anticipation of the complainant's future rights are, for example, knowledge of a pending merger between two companies,⁵¹⁶ where the respondent exploited insider knowledge as an employee,⁵¹⁷ or where publicity pointed to a major future event or enterprise for which there was no trade-mark protection when the domain name was registered.⁵¹⁸

3.3.2.3 Renewal of Domain Name Registrations

The wording of paragraph 4(a)(iii) has presented UDRP panels with another awkward

⁵¹⁴ See, for example, *The Mills Limited Partnership v Michael G Miller* WIPO Case No D2000-1577; *John Ode v Intership Limited* WIPO Case No D2001-0074; *Digital Vision Ltd v Advanced Chemill Systems* WIPO Case No D2001-0827; *PrintForBusiness BV v LBS Horticulture* WIPO Case No D2001-1182; *Iogen Corporation v IOGEN* WIPO Case No D2003-0544; *Razorbox Inc v Torben Skjodt* NAF Case No FA150795 (9 May 2003); *Jazeera Space Channel TV Station v AJ Publishing* WIPO Case No D2005-0309; *eeParts Inc v E E All Parts Corp* NAF Case No FA481753 (14 July 2005); *Dreamgirls Inc v Dreamgirls Entertainment* NAF Case No FA481753 (14 July 2005); see also Lindsay op cit note 9 ¶ [7.14].

⁵¹⁵ WIPO Overview ¶ 3.1.

⁵¹⁶ See *Leonia PLC Sampo Insurance Company v Caspar Callerström* WIPO Case No D2000-0864; *Robert Fleming Holdings Limited The Chase Manhattan Corporation v No Name Trading* WIPO Case No D2000-0731; *AP Møller v Web Society* WIPO Case No D2000-0135; *Aditya Birla Nuvo Limited v HJ Shin* WIPO Case No D2006-0224.

⁵¹⁷ See *ExecuJet Holdings Ltd v Air Alpha America Inc* WIPO Case No D2002-0669; *ezcommerce Global Solutions Inc v AlphaBase Interactive* WIPO Case No D2002-0943.

⁵¹⁸ See *Kangwon Land Inc v Bong Woo Chun* WIPO Case No D2003-0320; *MADRID 2012 SA v Scott Martin-MadridMan Websites* WIPO Case No D2003-0598; *General Growth Properties v Steven Rasmussen* WIPO Case No D2003-0845. For a detailed discussion of the situation where the domain name was registered before the trade mark, see also Bettinger op cit note 14 at 1109-1112; Lindsay op cit note 9 ¶ [7.14].

question – are domain-name renewals to be treated in the same manner as initial domain-name registrations? Put differently, will the third element, which requires bad-faith registration, be satisfied if the initial domain-name registration was done in good faith but any subsequent renewal of the domain name in bad faith? At first, UDRP panels answered this question in the negative. They indicated that where a domain name had been registered in good faith but later renewed in bad faith, this will not satisfy the third element in paragraph 4(a)(iii) of the UDRP.

The WIPO Consensus View is the following:

‘While the transfer of a domain name to a third party does amount to a new registration, a mere renewal of a domain name does not amount to registration for the purposes of determining bad faith. Registration in bad faith must occur at the time the current registrant took possession of the domain name.’⁵¹⁹

Panelists shared the view that an initial registration in good faith with a subsequent renewal in bad faith did not fall within the ambit of paragraph 4(a)(iii).⁵²⁰ These panels essentially followed *Teradyne Inc v 4Tel Technology*,⁵²¹ in which the panel concluded:

‘A conscious decision was made that UDRP proceedings be limited to abusive registrations. The question whether domain names registered in good faith become infringing is outside the scope of this enquiry.’

Although this narrow interpretation has been followed by most panels to ensure consistency in decision making, some panelists have voiced reservations as to the desirability of this strict approach. For example, in *PAA Laboratories GmbH v Printing Arts of America*,⁵²² the panelist made the following compelling comments:

‘Were it not for the persuasive force of the cited decisions, this Panel would have expressed the view that paragraph 2 of the Policy demonstrates that references to “registration” in the Policy were probably intended to be references to “registration or renewal of registration”. Absent the consistency of approach which has found favour with numerous earlier panels, this Panel will have no good reason for a renewal not to be considered as equivalent to “registration” in the context of the objectives of the Policy . . . The benefit of an original good faith registration should not be perpetual to the point

⁵¹⁹ WIPO Overview ¶ 3.7.

⁵²⁰ *Smart Design LLC v Carolyn Hughes* WIPO Case No D2000-0993; *Weatherall Green and Smith v Everymedia.com* WIPO Case No D2000-1528; *Sunstance Abuse Management Inc v SAMI* WIPO Case No D2001-0782; *Guildline Instruments Limited v Anthony Anderson* WIPO Case No D2006-0157.

⁵²¹ WIPO Case No D2000-0026.

⁵²² WIPO Case No D2004-0338; see similarly the recent decision of *Eastman Sporto Group LLC v Jim and Kenny* WIPO Case No D2009-1688.

where it can cloak successors in title and successors in “possession” long after the original registration would have expired.⁵²³

Considering these comments and the *Octagen* trio of decisions discussed above,⁵²⁴ which rely on a more inclusive interpretation of particularly paragraph 2 of the UDRP, it remains to be seen whether the view that a subsequent renewal in bad faith after an initial registration in good faith does not fall within the scope of paragraph 4(a)(iii) will remain the consensus, or even preferred, view of UDRP panels for much longer. I have my doubts.

3.3.2.4 Was the Respondent Aware of the Complainant’s Mark?

The extent to which the respondent was aware of the complainant’s rights to a trade mark when the respondent registered the domain name in question is critically important when one has to determine whether the domain name has been registered and is being used in bad faith. Generally, bad faith, for the purposes of paragraph 4(a)(iii), is not present if the respondent was not aware, and accordingly had no notice, actual or imputed, of the complainant’s rights to a trade mark when the domain name was registered. Conversely, there is a legal presumption of bad faith when the respondent was aware of the complainant’s rights to the trade mark.

Whether the respondent was aware of the complainant’s rights to the trade mark that constitutes the relevant domain name or part of it, is, however, often not easy to determine with any degree of certainty. As the complainant has to shoulder the burden of proving bad faith on the part of the respondent, questions about the degree of actual or imputed knowledge of the complainant’s rights to the trade mark can often prove to be troublesome when bad faith is attributed to the respondent. Is actual awareness or notice of the complainant’s rights to a mark necessary, or can the awareness or notice be imputed, implied, presumed, or even constructed? UDRP panelists have differed substantially in their answers to these questions.

⁵²³ See further the discussions in *Bettinger* op cit note 14 at 1112; *Lindsay* op cit note 9 ¶ [7.9].

⁵²⁴ *City Views Limited v Moniker Privacy Services/Xander Jeduyu ALGEBRALIVE* WIPO Case No D2009-0643; *Phillip Securities Pty Ltd v Yue Hoong Leong* ADNDRC Decision DE0900226; *Octogen Pharmacal Company Inc v Domains By Proxy Inc/Rich Sanders and Octogen e-Solutions* WIPO Case No D2009-0786.

A positive obligation on a domain-name registrant actively to take steps to ascertain the potential trade-mark rights of another party in respect of the domain name was never envisaged. As was stated in the WIPO Final Report, '[i]t is not recommended that domain name registrations be made conditional upon a prior search of potentially conflicting trademarks, but it is recommended that the domain name application contain appropriate language encouraging the applicant to undertake voluntarily such a search'.⁵²⁵

The issue has been clouded by a number of domain-name practices that have arisen after the implementation of the UDRP. These practices include the automated transfers of domain names, the bulk transfers of large numbers of domain names, and the use of domain names for the purposes of pay-per click ('PPC') revenue. Trade-mark proprietors may reasonably regard these practices as abusive; UDRP panelists increasingly agree.⁵²⁶ In light of these practices, panelists increasingly, and worryingly, find that certain circumstances point to practices that place an obligation on respondents to conduct searches to determine whether trade-mark rights exist in a particular domain name. Accordingly, even where the respondent did not have actual knowledge of the complainant's trade mark, panelists have held, to varying degrees, in what has become known as the 'wilful blindness' cases, that domain-name registrants cannot deliberately shut their eyes to facts that they would prefer not to know.⁵²⁷

One of the first decisions to open the door to placing an obligation on the respondent was *Red Nacional De Los Ferrocarriles Espanoles v Ox90*.⁵²⁸ The majority of the panelists found bad faith on the part of the respondent which acquired a lapsed domain name by means of name-grabbing software, as the respondent had not made a simple search engine enquiry.⁵²⁹ Similar decisions have since been reached in a number of

⁵²⁵ WIPO Final Report ¶ [105].

⁵²⁶ Willoughby op cit note 342 at 718.

⁵²⁷ See the statement by Lord Millet in *Twinsectra Limited v Yardley and others* [2002] UKHL 12 at [112]: 'It is dishonest for a man to deliberately shut his eyes to facts which he would prefer not to know. If he does so, he is taken to have actual knowledge of the facts to which he shut his eyes. Such knowledge has been described as "Nelsonian knowledge", meaning knowledge which is attributed to a person as a consequence of his "wilful blindness" or (as American lawyers describe it) "contrived ignorance".' See also Willoughby op cit note 342 at 723.

⁵²⁸ WIPO Case No D2001-0981.

⁵²⁹ See Willoughby op cit note 99 at 542.

cases in which bulk domain-name registrations have led panelists to find bad faith because of the 'wilful blindness' of the respondent.⁵³⁰

Some panelists have, unfortunately, gone even further to suggest that in certain circumstances domain-name registrants should undertake trade-mark searches.⁵³¹

A troubling new trend amongst panelists is that certain practices are regarded as objectionable per se, and thus evidence of registration and use in bad faith, for purposes of paragraph 4(a)(iii). Actual knowledge of the complainant's mark is deemed (not inferred) where the domain name features a registered trade mark which could have been found through a trade-mark search.⁵³² Some panelists have gone even further: they apply the 'wilful blindness' principle in such a strict sense as to suggest that in certain circumstances domain-name registrants should undertake trade-mark searches, a step that was expressly rejected in *Red Nacional De Los Ferrocarriles Espanoles v Ox90*.⁵³³

The view that domain-name registrants, particularly those who register large numbers of domain names, or use automated systems to register domain names, have a positive obligation to conduct searches to establish with certainty that no trade-mark rights are held to a mark that forms part of or consists of the domain name, in certain circumstances is positively affirmed in decisions such as *Media General Communications Inc v Rarenames Webreg*,⁵³⁴ *Grundfos A/S v Texas International Property Associates*,⁵³⁵ *mVisible Technologies Inc v Navigation Catalyst Systems Inc*,⁵³⁶ *Asian World of Martial Arts Inc v Texas International Property*,⁵³⁷ and *The Fragrance Foundation Inc v Texas International Property Associates*.⁵³⁸

⁵³⁰ *Eurial Poitouaine v Compana LLC* WIPO Case No D2004-0270; *Mobile Communication Service Inc v WebReg RN* WIPO Case No D2005-1304; *Sprunk-Jansen A/S v Chesterton Holdings* WIPO Case No D2006-1080. See also *Grundfos A/S v Texas International Property Associates* WIPO Case No D2007-1448, in which a number of 'wilful blindness' cases are reviewed in detail.

⁵³¹ *Grundfos A/S v Texas International Property Associates* WIPO Case No D2007-1448.

⁵³² Willoughby op cit note 342 at 724.

⁵³³ WIPO Case No D2001-0981.

⁵³⁴ WIPO Case No D2006-0964.

⁵³⁵ WIPO Case No D2007-1448.

⁵³⁶ WIPO Case No D2007-1141.

⁵³⁷ WIPO Case No D2007-1415.

⁵³⁸ WIPO Case No D2008-0982.

This approach should be treated with suspicion. There is a subtle but distinct difference between deeming knowledge of rights to a trade mark of which a domain-name registrant was likely to have been aware (wilful blindness), on the one hand, and deemed knowledge of rights to a trade mark of which a domain-name registrant is unlikely to have been aware in the absence of a trade-mark search.⁵³⁹ The first may in appropriate circumstances be an acceptable approach in terms of the stated scope of the UDRP; the second, not. Placing such a burden on registrants opens the door to panelists finding bad faith registration to an unlimited range of registration activities, which were certainly not envisaged by the drafters of the UDRP, and which most definitely fall outside the narrow scope of the UDRP.⁵⁴⁰

UDRP panels have also tended to impute knowledge on the part of a domain-name registrant of the complainant's rights to a trade mark where the trade mark is famous or well known. If a panel is of the opinion that the respondent 'knew or should have known' of the complainant's mark, the panel typically imputes knowledge on the part of the respondent. For example, imputed knowledge was found on the part of the respondent where the famous or well-known marks AMERICA ONLINE,⁵⁴¹ EXPEDIA,⁵⁴² SONY,⁵⁴³ NASDAQ,⁵⁴⁴ TIGER WOODS,⁵⁴⁵ GENERAL ELECTRIC,⁵⁴⁶ ROCHE,⁵⁴⁷ and GAP,⁵⁴⁸ were at issue.

It should be noted that if trade mark is not internationally famous or well known, the extent to which the knowledge of the complainant's mark may be imputed will depend on where the respondent is located. If the complainants' trade mark is famous or well known in the geographical area in which the respondent is located, knowledge of the complainant's rights to the mark on the part of the respondent is likely to be imputed.⁵⁴⁹

⁵³⁹ Diéguez op cit note 251 at 353; Willoughby op cit note 342 at 723.

⁵⁴⁰ Willoughby op cit note 342 at 724.

⁵⁴¹ *America Online Inc v Avrasya Yayincilik Danismanlik Ltd* NAF Case No FA93679 (16 March 2000).

⁵⁴² *Expedia Inc v European Travel Network* WIPO Case No D2000-0137.

⁵⁴³ *Sony Kabushiki Kaisha v Inja, Kil* WIPO Case No D2000-1409; *Sony Kabushiki Kaisha v Richard Mandanice* WIPO Case No D2004-1046.

⁵⁴⁴ *The Nasdaq Stock Market Inc v Act One Internet Solutions* WIPO Case No D2003-0103.

⁵⁴⁵ *Eldrick 'Tiger' Woods v Whitsan Bay Golf Shop* NAF Case No FA772886 (26 September 2006).

⁵⁴⁶ *General Electric Company Marketing v Marketing Total SA* WIPO Case No D2007-1834.

⁵⁴⁷ *F Hoffman-La Roche AG v Transure Enterprise Ltd Ltd* WIPO Case No D2008-0422.

⁵⁴⁸ *The Gap Inc v Deng Youqian* WIPO Case No D2009-0113.

⁵⁴⁹ *Jupiters Limited v Aaron Hall* WIPO Case No D2000-0574 (the panel imputed knowledge on the part of the respondent because of the fact that the respondent's mailing address was in the same district as

If the respondent is located in a different geographical area in which the mark is well known (typically, if the respondent lives in a country or a part of the world where the trade mark does not have a reputation), knowledge of the complainant's rights to the mark will, generally, not be imputed.⁵⁵⁰

UDRP panels have, apart from finding imputed knowledge of the complainant's rights to a famous or well-known mark, also inferred knowledge of the complainant's rights to a mark by the respondent in circumstances where the respondent has (a) engaged in a pattern of typosquatting,⁵⁵¹ (b) offered the domain name for sale to the complainant,⁵⁵² (c) referred to the complainant's trade mark or products while using the domain name,⁵⁵³ (d) used the domain name to link to a web site of a competitor of the complainant's,⁵⁵⁴ (e) been a competitor of the complainant,⁵⁵⁵ and (f) adopted a similar looking web site design or referred to the complainant's mark on its web site.⁵⁵⁶

Where the complainant's rights to a trade mark are established by a trade mark registration in the United States of America, and the respondent is located in the United States, some UDRP panels have applied the American trade-mark law doctrine of

the complainant's business).

⁵⁵⁰ See, for example, *VZ VermögensZentrum AG v Anything.com* WIPO Case No D2000-0527 (there was no reason why the respondent based in the Cayman Islands should have known about the complainant's mark which was well known in Switzerland); *Rusconi Editore SPA v Bestinfo* WIPO Case No D2001-0656 (knowledge of the complainant's mark which was well known in certain European countries was not imputed to the respondent from Texas); *Seaway Bolt and Specials Corp v Digital Income Inc* NAF Case No FA114672 (5 August 2002) (the complainant and the respondent were based the United States of America and Canada, respectively); *Sasol Limited v Raymond Wong* WIPO Case No D2005-0122 (a trade mark that was well known in South Africa was not generally well known in the United States, which meant that knowledge on the part of the respondent based in the United States was not imputed); *Decal (Depositi Cotieri Calliope) SpA v Gregory Ricks* WIPO Case No D2008-0585 (an American respondent was not expected to be aware of a well-known Italian trade mark); *Corporación Habanos SA v Tobias Pischetsrieder* WIPO Case No D2009-1041 (it was not clear whether the trade mark COHIBA was well known in Germany when the German respondent registered the corresponding domain name).

⁵⁵¹ *Briefing.com Inc v Cost Net Domain Manager* WIPO Case No D2001-0970; *Pfizer Inc v Re This Domain For Sale* WIPO Case No D2002-0409; *Paragon Gifts Inc v Domain.Contact* WIPO Case No D2004-0107; *Napster Inc v John Gary* WIPO Case No D2005-0913.

⁵⁵² *Wal-Mart Stores Inc v Longo* WIPO Case No D2004-0816; *Martha Steward Living Omnimedia Inc v Josh Gorton* WIPO Case No D2005-1109.

⁵⁵³ *Canon Kabushiki Kaisha v Price-Less Inkjet Cartridge Company* WIPO Case No D2000-0878; *Kabushiki Kaisha Square Enix v NOLDC Inc* WIPO Case No D2006-0630.

⁵⁵⁴ *PartyGaming PLC v WHOis Privacy Protection Service Inc* WIPO Case No D2006-0508; *Factory Mutual Insurance Company v Valuable Web Names* WIPO Case No D2008-1014.

⁵⁵⁵ *Lubbock Radio Paging v Venture TeleMessaging* NAF Case No FA96102 (23 December 2000); *Herbalife International of America Inc v Ron Mauldin* NAF Case No FA862849 (23 January 2007).

⁵⁵⁶ *Six Continents Hotels Inc v Hotel Partners of Richmond* WIPO Case No D2003-0222. For a more detailed discussion of these categories of decisions, see Lindsay op cit note 9 ¶ [7.12].

constructive notice⁵⁵⁷ to find that a trade-mark registration on the Federal Law level of the Principal Register provides constructive knowledge to any third party located in the United States.⁵⁵⁸ The WIPO Consensus View regarding the application of the doctrine of constructive notice to the UDRP:

‘Most panels have declined to introduce the concept of constructive notice into the UDRP. However, where a complainant had a United States registered trademark and the respondent was located in the United States, this concept has been used in a few cases to support a finding of registration and/or use in bad faith. In those cases, where the complainant’s trademark registration preceded the respondent’s domain name registration, respondent was presumed to have notice of the mark.’⁵⁵⁹

Despite major reservations voiced by some panelists about recognising the doctrine of constructive notice for the purposes of the UDRP,⁵⁶⁰ and the fact that there should certainly be a difference between the doctrine of constructive notice as applied in American trade-mark law and the balance between the rights of trade-mark proprietors and the rights of domain-name registrants sought to be attained by the UDRP, it seems that the doctrine of constructive notice will apply at least where both the complainant and the respondent are located in the United States.⁵⁶¹

3.3.3 Bad Faith ‘Use’ in the Context of Paragraph 4(a)(iii) of the UDRP: Finding Bad faith in Terms of the Factors Listed in Paragraph 4(b) of the UDRP

3.3.3.1 Registering the Domain Name for the Purposes of Selling, Renting or Otherwise Transferring the Domain Name to the Complainant

The first non-exclusive factor that is regarded as evidence of the registration and use in bad faith of the domain name is set out in paragraph 4(b)(i):

⁵⁵⁷ 15 USC § 1072.

⁵⁵⁸ Bettinger op cit note 14 at 1108.

⁵⁵⁹ WIPO Overview ¶ 3.4.

⁵⁶⁰ *Alberto-Culver Company v Pritpal Singh Channa* WIPO Case No D2002-0757; *Olymp Beznar GmbH & Co KG v Olympus Access Service* WIPO Case No D2003-0958; *Sallie Mae Inc v Chen Huang* WIPO Case No D2004-0880; *Williams Electronics Games Inc v Ventura Domains* WIPO Case No D2005-0822; *INVESTools Inc v KingWeb Inc* NAF Case No FA598845 (1 January 2006); *Dr Mitchell Mandel and Ms Jill Slater v CSC Laboratories Inc* WIPO Case No D2006-0719; *Kellwood Company v Onesies Corporation* WIPO Case No D2008-1172; *Aspenwood Dental Associates Inc v Thomas Wade* WIPO Case No D2009-0675.

⁵⁶¹ See *J Crew International Inc v crew.com* WIPO Case No D2000-0054; *Barney’s Inc v BNY Bulletin Board* WIPO Case No D2000-0059; *The Planetary Society v Salvador Rosillo Domainsforlife.com* WIPO Case No D2001-1228; *Biogen Inc v Kel Ellis* WIPO Case No D2002-0679; *The Sportsman’s Guide Inc v Modern Limited, Cayman Islands* WIPO Case No D2003-0305; *Sierra Suites Franchise LP v International Marketing* NAF Case No FA783218 (3 October 2006); *Dermalogica Inc v Paradigm Group* NAF Case No FA874392 (30 January 2007); *The Fragrance Foundation Inc v Texas International Property Associates* WIPO Case No D2008-0982. For a more detailed discussion of the doctrine of constructive notice in the context of the UDRP, see also Lindsay op cit note 9 ¶ [7.13].

‘circumstances indicating that you have registered or you have acquired the domain name primarily for the purposes of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out of pocket costs directly related to the domain name’.

3.3.3.1.1 ‘Circumstances Indicating’

The ‘circumstances indicating’ that the domain name has been registered for the purpose of selling the domain name to the complainant, or a competitor of the complainant’s, as contemplated by paragraph 4(b)(i), seem to indicate that the offer to sell, rent, or license the domain name can encompass a broad range of actions on the part of the respondent and is accordingly not limited to actual and legalistic offers to sell, rent, or license the domain name.⁵⁶²

3.3.3.1.2 ‘Primarily for’

The words ‘primarily for’ the purpose of selling the domain name to the complainant or a competitor of the complainant essentially indicate that the mere act of offering the domain name for sale does not as such indicate bad faith on the part of the respondent.⁵⁶³ Merely considering selling the domain name⁵⁶⁴ will not necessarily point to bad faith, nor will using the domain name for honest purposes for a period before offering to sell the domain name⁵⁶⁵ indicate that the domain name was not registered in bad faith for the purposes of paragraph 4(b)(i). It should be noted, however, that the fact that the complainant approached the respondent for the purpose of purchasing the domain name from the respondent will not always prevent a finding that the domain name was registered in bad faith primarily for the purpose of selling the domain name. This is so because cybersquatters are notoriously inactive and often rely on a trademark proprietor to initiate negotiations for the purchase of a domain name.⁵⁶⁶ These are

⁵⁶² *Channel 5 Broadcasting Limited v PT Pancawana Indonesia* NAF Case No FA98415 (3 October 2001); Lindsay op cit note 9 ¶ [7.17.1].

⁵⁶³ Bettinger op cit note 14 at 1114.

⁵⁶⁴ *Mark Warner 2001 v Mike Larson* NAF Case No FA95746 (15 November 2000).

⁵⁶⁵ *Kyocera Mita America Inc Kyocera Mita Corporation v Office Land* WIPO Case No D2000-0385; *Physik Instrumente GmbH & Co v Stefan Kerner* WIPO Case No D2000-1001; *The One Retail Network (International) Limited v DynaComware Taiwan Inc* WIPO Case No D2004-0528; *Paul Plumadore, James Tindell, River Roads Antiques Ltd v William Kilgore* WIPO Case No D2007-1922 (dissenting opinion).

⁵⁶⁶ *Magnum Piering Inc v The Mudjackers* WIPO Case No D2000-1525; *Tracy Marrow p/k/a ‘ICE-T’ v iceT.com* WIPO Case No D2000-1234; *SembCorp Industries Limited v Hu Huan Xin* WIPO Case No D2001-1092; Bettinger op cit note 14 at 1114.

examples of cases where bad faith was assumed on the part of the respondent where the complainant made the offer to purchase the domain name: where the respondent agreed to sell the domain name at a much higher price than the complainant offered,⁵⁶⁷ and where some sort of pressure was exerted on the complainant to induce the complainant to make an offer to purchase the domain name.⁵⁶⁸

3.3.3.1.3 Selling, Renting, or Otherwise Transferring

Bad faith intention, for the purposes of paragraph 4(b)(i) is, generally, assumed in UDRP practice if the respondent makes an offer to sell the domain name directly to the complainant.⁵⁶⁹ However, not only a clear offer to sell the domain name may be regarded as an indication that the domain name was registered in bad faith for the purpose of selling the domain name to the complainant or a competitor of the complainant's. A wide variety of circumstances can serve as evidence that the domain name has been registered for this purpose. In the absence of a specific offer to sell a domain name, an intention to sell the domain name have been deduced from the overall circumstances of a case. Examples of such circumstances have included a demonstration of the willingness to sell on the respondent's own web site,⁵⁷⁰ or on another web site, such as an auction web site,⁵⁷¹ a domain name auction web site;⁵⁷² an indication in the WHOIS database;⁵⁷³ and where the provision of contact details suggests an intention to sell.⁵⁷⁴ In deducing an intention to sell the domain name in circumstances such as these, a key factor that is commonly considered is the extent

⁵⁶⁷ *American Home Products Corporation v Global Productions* WIPO Case No D2000-0456; *Japan Tobacco Inc v Yoshiki Okada* WIPO Case No D2000-0492; *Vanounou Clothing Inc v Administrator c/o Domain Admin* NAF Case No FA861280 (27 January 2007); Diéguez op cit note 251 at 353.

⁵⁶⁸ *Wembley National Stadium Limited v Bob Thomson* WIPO Case No D2000-1233; *Compelling Content Creators Inc v Pavel Ushakov* NAF Case No FA346763 (17 December 2004).

⁵⁶⁹ *Christian Dior Couture SA v Bill Rosenfeld* WIPO Case No D2000-0098; *Siba Aktebolag v Torbjorn Hellerstad* WIPO Case No D2000-0146; Bettinger op cit note 14 at 1113.

⁵⁷⁰ *American Anti-Vivisection Society v 'Infa dot Ne' Web Services* NAF Case No FA95685 (6 November 2000).

⁵⁷¹ *CONOCO Inc v RDH Computer Solutions* WIPO Case No D2000-0960; *Pfizer Inc v Jason Haft* WIPO Case No D2003-0133; *AT & T Corp v rnetworld* WIPO Case No D2006-0569; *Playboy Enterprises International Inc v Tamara Pitts* WIPO Case No D2006-0675.

⁵⁷² *DaimlerChrysler Corporation v Brad Bargman* WIPO Case No D2000-0222; *The Cheesecake Factory Inc v cheesecake-factory.com, cheesecake-factory3-DOM* WIPO Case No D2001-0648; *Echelon Corporation v RN WebReg* WIPO Case No D2003-0790; *Iconcard SpA v Linecom* WIPO Case No D2005-1115; *Cloer Elektrogeräte GmbH v Motohisa Ohno* WIPO Case No D2006-0026.

⁵⁷³ *CLT-UFA SA v This Domain Is for Sale* WIPO Case No D2000-0801; *Academy of Motion Picture Arts & Sciences v This Name Is For Sale* WIPO Case No D2005-1063.

⁵⁷⁴ *MatchNet plc v Mac Trading* WIPO Case No D2000-0205; *Yahoo! Inc v Domaincollection* WIPO Case No D2000-0476; *Digital City Inc v Smallldomain Domain for Sale* WIPO Case No D2000-1283.

to which the respondent was aware of the complainant's mark when the domain name was registered.⁵⁷⁵

3.3.3.1.4 Valuable Consideration Exceeding the Out-of-Pocket Costs Associated Directly with the Domain Name

The circumstances of each case will determine if the valuable consideration demanded by the complainant exceeds the out-of-pocket costs associated with the domain name. These costs are commonly taken to include the costs to register the domain name, and to renew the domain-name registration.⁵⁷⁶

Valuable consideration is likewise not limited to a fixed monetary amount but may encompass also a number of other considerations for value.⁵⁷⁷ These considerations have included the respondent demanding having dinner with the complainant, conducting an interview and an online chat session with the complainant;⁵⁷⁸ the respondent offering to transfer the domain name in return for four complimentary tickets to a golf tournament hosted by the complainant,⁵⁷⁹ or for concert tickets and backstage passes;⁵⁸⁰ the respondent requiring a meeting with the complainant to discuss a business venture;⁵⁸¹ the respondent offering to transfer the disputed domain name to the complainant in exchange for a ten-year exclusive distribution agreement;⁵⁸² the respondent requesting an investment of twenty per cent of the business plan through the acquisition of a shareholding;⁵⁸³ the respondent requiring advertising to be provided by the complainant,⁵⁸⁴ or employment as a web designer.⁵⁸⁵

⁵⁷⁵ For a more detailed discussion, see also Bettinger op cit note 14 at 1114; Lindsay op cit note 9 ¶ [7.17.5].

⁵⁷⁶ Bettinger op cit note 14 at 1115.

⁵⁷⁷ See *Metallica v Josh Schneider* NAF Case No FA95636 (18 October 2000) (the respondent made certain demands, such as having dinner with the complainant, and conducting an interview and an online chat session with the complainant); *Mr Severiano Ballesteros Sota v Patrick Waldron* WIPO Case No D2001-0351; Lindsay op cit note 9 ¶ [7.17.4].

⁵⁷⁸ *Metallica v Josh Schneider* NAF Case No FA95636 (18 October 2000).

⁵⁷⁹ *Mr Severiano Ballesteros Sota v Patrick Waldron* WIPO Case No D2001-0351.

⁵⁸⁰ *John David Lyon v James Casserly* NAF Case No FA193891 (29 October 2003).

⁵⁸¹ *Anheuser-Busch Incorporated v Wesley Niegro* NAF Case No FA756894 (4 September 2006).

⁵⁸² *Takaso Rubber Products Sdn Bhd v Selim Tasci and Tasci Dis Tic Ltd STI* WIPO Case No D2006-1263.

⁵⁸³ *Excelentísimo Ayuntamiento de Barcelona v Barcelona.com Inc* WIPO Case No D2000-0505.

⁵⁸⁴ *Bellsouth Intellectual Property Corporation v Jaclyn aka Jaclyn Thoms* WIPO Case No D2001-1409.

⁵⁸⁵ *Galatasaray Sportif Sinai ve Ticari Yatirimlar AS, Galatasaray Pazarlama AS, Galatasaray Spor Kulubu Dernegi v Maksimum Iletisim Hizmetleri AS* WIPO Case No D2002-0726. See further Berkman Center op cit note 413 at section [3.2.1.3]; Hart op cit note 78 at 150-152.

3.3.3.2 **Registration of Domain Name with the Intent to Prevent the Mark Owner from Reflecting the Mark in a Domain Name**

The second non-exclusive factor regarded as evidence of the registration and use in bad faith of the disputed domain name is contained in paragraph 4(b)(ii) of the UDRP: ‘you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct’.

As is often the case with interpreting the UDRP, panelists have given different interpretations of the phrase ‘reflecting the mark in a corresponding domain name’ in paragraph 4(b)(ii). Some panelists have interpreted the phrase to connote that the registration of ‘any corresponding domain name’ satisfies the requirement of paragraph 4(b)(ii).⁵⁸⁶ This means that paragraph 4(b)(ii) is difficult to apply, as it would more often than not be possible for a trade-mark or service-mark proprietor to register a corresponding domain name in other gTLDs and ccTLDs to reflect its trade or service mark.⁵⁸⁷

A different interpretation that imbues paragraph 4(b)(ii) with some effectiveness (which interpretation I prefer), is that the phrase ‘reflecting the mark in a corresponding domain name’ connotes ‘a *particular* corresponding domain name’ in the same gTLD as the domain name registered by the respondent.⁵⁸⁸ Not only domain names that are identical to the complainant’s mark, but also domain names that are confusingly similar, should be seen as included in the term ‘corresponding domain name’ for the purposes of paragraph 4(b)(ii).⁵⁸⁹

If a domain name is famous or well known at the respondent’s place of residence or place of business, the intent to prevent the trade-mark or service-mark proprietor from reflecting the trade mark in a corresponding domain name is assumed more readily.⁵⁹⁰

⁵⁸⁶ See, for example, *Bruce Springsteen v Jeff Burgar* WIPO Case No D2000-1532.

⁵⁸⁷ *J Crew International Inc v crew.com* WIPO Case No D2000-0054; *General Electric Company v Charles Kasinga* WIPO Case No D2000-0389; *Julie Brown v Julie Brown Club* WIPO Case No D2000-1628.

⁵⁸⁸ *Celine Dion v Jeff Burgar* WIPO Case No D2000-1838; *Bradford and Bingley Plc v Registrant info@fashionID.com 987654321* WIPO Case No D2002-0499. For a detailed discussion, see Lindsay op cit note 9 ¶ [7.18].

⁵⁸⁹ *NBTY Inc v LaPorte Holdings* WIPO Case No D2005-0835.

⁵⁹⁰ *Cho Yong Pil v Sinwoo Yoon* WIPO Case No D2000-0310; *America Online Inc v Chinese ICQ Network* WIPO Case No D2000-0808; *Tchibo Frisch-Röst-Kaffee GmbH v Hans Rieschl* WIPO Case No D2001-0079.

The intention to prevent the proprietor from reflecting the mark in a corresponding domain name will, generally, also be assumed if the particular mark is not used in several other contexts by a large number of people or businesses, and the respondent has no right or other legitimate interest in the domain name.⁵⁹¹

3.3.3.2.1 Pattern of Conduct

The WIPO Consensus View identifies two categories of multiple domain-name registrations that are relevant to determining whether there is a 'pattern of conduct' for the purposes of paragraph 4(b)(ii):

'A pattern of conduct can involve multiple UDRP cases with similar fact situations or a single case where the respondent has registered multiple domain names which are similar to known trademarks, however the registration of two domain names in the same case is generally not sufficient to show a pattern.'⁵⁹²

In addition to the above distinction, a further distinction can be drawn where multiple domain-name registrations may indicate 'a pattern of conduct' – between 'horizontal' abusive registrations (multiple domain name registrations reflect the trade marks of different entities), and 'vertical' abusive registrations (multiple domain-name registrations reflect only one trade-mark proprietor's mark). The varying circumstances in which the different forms of multiple domain-name registrations are at issue render it critically important that these forms of registrations be approached with different considerations in mind.⁵⁹³

With 'horizontal' abusive registrations, a respondent which has been a party to a number of previous UDRP proceedings may, generally, be found to be involved in 'a pattern of conduct' of registering domain names in order to prevent a trade-mark proprietor from reflecting trade or service marks as domain names.⁵⁹⁴ This will especially be so where the respondent has been unsuccessful in a number of UDRP decisions in which famous or well-known trade marks were in issue.⁵⁹⁵

⁵⁹¹ *Tchibo Frisch-Röst-Kaffee GmbH v Hans Rieschl* WIPO Case No D2001-0079; Bettinger op cit note 14 at 1116.

⁵⁹² WIPO Overview ¶ 3.3.

⁵⁹³ Lindsay op cit note 9 ¶ [7.18].

⁵⁹⁴ *Collections Etc Inc v Cupcake Patrol* WIPO Case No D2001-0305; *Arai Helmet Americas Inc v Goldmark* WIPO Case No D2004-1028; *NBTY Inc v LaPorte Holdings* WIPO Case No D2005-0835; *Mobile Communication Service Inc v WebReg RN* WIPO Case No D2005-1304; *Grundfos A/S v Manila Industries Inc* WIPO Case No D2006-1295.

⁵⁹⁵ *Nicole Kidman v Cupcake Party, John Zuccarini* WIPO Case No D2000-1415; *Dell Computer Corporation v Logo Excellence* WIPO Case No D2001-0361; *PepsiCo Inc v Phayze Inc* WIPO Case No

Multiple 'vertical' registrations may likewise show 'a pattern of conduct' of abusively registering domain names in order to prevent a trade-mark proprietor from reflecting trade or service marks as domain names.⁵⁹⁶

A 'pattern of conduct' suggests continued and systematic conduct in terms of pre-existing domain names registered by the respondent. What exactly amounts to such a pattern of conduct again reflects some degree of disagreement and uncertainty among UDRP panelists. Some panels have assumed that the registration of three domain names,⁵⁹⁷ two domain names,⁵⁹⁸ and even one⁵⁹⁹ other domain name apart from the domain name in question showed a 'pattern of conduct' for the purposes of paragraph 4(b)(ii) of the UDRP. Other panels declined to find a corresponding 'pattern of conduct' where one,⁶⁰⁰ two to three,⁶⁰¹ or even four⁶⁰² domain names in addition to the domain name in question were registered by the respondent.⁶⁰³

In view of the divergent panel practice, and the fact that it seems impossible to find a magic number for the multiple domain-name registrations that constitute a 'pattern of conduct' which may indicate bad faith, I stress again that each domain-name dispute should be considered in the context of all the relevant circumstances of that particular dispute.

D2003-0693; *Volvo Trade-mark Holding AB v Unasi Inc.* WIPO Case No D2005-0556; *Tom Cruise v Alberta Hot Rods* WIPO Case No D2006-0560; *Patricia Ann Romance Peterson v Network Operations Center/Alberta Hot Rods* WIPO Case No D2006-1431.

⁵⁹⁶ *Yahoo! Inc v Eitan Zviely* WIPO Case No D2000-0273 (37 domain names that included the complainant's mark registered); *Telstra Corporation Limited v Ozurls* WIPO Case No D2001-0046; *Royal Bank of Canada v Henry Chan* WIPO Case No D2003-0031; *SWATCH AG v Stefano Manfroi* WIPO Case No D2003-0802; *Ruth Vending Inc v Profits on The Web* NAF Case No FA646989 (7 April 2006) (only two domain names that included the respondent's mark registered); *General Electric Company Marketing v Marketing Total SA* WIPO Case No D2007-1834. See further Lindsay op cit note 9 ¶ [7.18.3].

⁵⁹⁷ *Bellevue Square Managers Inc v Web* WIPO Case No D2000-0056.

⁵⁹⁸ *The Board of Governors of the University of Alberta v Michael Katz, d/b/a Domain Names for Sale* WIPO Case No D2000-0378.

⁵⁹⁹ *Hunton and Williams v ADSI/Defaultdata.com, American Distribution Systems Inc d/b/a Nameisforsale.com* WIPO Case No D2000-0501.

⁶⁰⁰ *William Hill Organization Limited v Fulfillment Management Services Limited* WIPO Case No D2000-0826; *Laboratoire Pharmafarm (SAS) v M Sivaramakrishan* WIPO Case No D2001-0615.

⁶⁰¹ *Home Interiors and Gifts Inc v Home Interiors* WIPO Case No D2000-0010; *Ferrero SpA v Dante Ferrari* WIPO Case No D2006-1163.

⁶⁰² *Time Inc v Chip Cooper* WIPO Case No D2000-1342.

⁶⁰³ Berkman op cit note 413 at section [3.2.2.2.1]; Bettinger op cit note 14 at 1119.

3.3.3.3 **Registration of the Domain Name for the Purpose of Disrupting the Business of a Competitor**

The third non-exclusive factor to evidence the registration and use in bad faith of the disputed domain name is set out in paragraph 4(b)(iii): ‘you have registered the domain name primarily for the purpose of disrupting the business of a competitor’.

In order for a panel to find that a respondent has registered the disputed domain name in bad faith for the purposes of paragraph 4(b)(iii), evidence of three elements should be adduced, according to the wording of the paragraph.⁶⁰⁴

In the first instance, the respondent should have been aware of the complainant’s business. In order to find that the domain name was registered in bad faith in terms of paragraph 4(b)(iii), it must be shown that the respondent had actual or imputed knowledge of the complainant’s business. The complainant does not have to establish that the respondent was actually aware of the complainant’s rights to a trade mark or service mark, but only that the respondent was aware of a competitor’s business.⁶⁰⁵

Secondly, the ‘primary purpose’ of the registration of the disputed domain name should have been to disrupt the complainant’s business. In determining the ‘primary purpose’ for which the domain name was registered, the manner in which the domain name was used by the respondent often indicates whether the domain name was registered for the primary purpose of disrupting a competitor’s business. The main circumstances in which UDRP panels have found the disputed domain name to have been registered for such a purpose are⁶⁰⁶ (a) the use of the domain name by the respondent to promote the respondent’s own business which competes with the complainant’s,⁶⁰⁷ (b) the use of the domain name to redirect or divert Internet users to the web sites of the complainant’s competitors;⁶⁰⁸ and (c) the ‘passive

⁶⁰⁴ *RuggedCom Inc v LANstore Inc* WIPO Case No D2005-0760.

⁶⁰⁵ Lindsay op cit note 9 ¶ [7.19].

⁶⁰⁶ Ibid.

⁶⁰⁷ See, for example, *Infospace.com Inc v Hari Prakash* WIPO Case No D2000-0076; *Southern Exposure v Southern Exposure Inc* NAF Case No FA94864 (18 July 2000); *General Media Communications Inc v Emilio Lopez* NAF Case No FA96776 (19 April 2001); *Southwest Airlines Co Inc v TRN* WIPO Case No D2002-0893; *Online Vacation Center Inc v Domain Active Pty Ltd* NAF Case No FA751635 (6 September 2006); *Red Lion Hotels Corporation v Damir Kruzicevic* WIPO Case No D2006-1051; *Briefing.com Inc v Marco Dalonzo* NAF Case No FA888093 (27 February 2007).

⁶⁰⁸ See *Easyjet Airline Company Ltd v Andrew Steggles* WIPO Case No D2000-0024; *Disney Enterprises Inc v Nicolas Noel* NAF Case No FA198805 (11 November 2003); *Volvo Trademark Holding AB v Unasi Inc*.

holding' by the respondent of a domain name that is identical or confusingly similar to the complainant's mark, where the respondent is a competitor of the complainant.⁶⁰⁹

Thirdly, the respondent and the complainant should be competitors. What is meant by the term 'competitor' for the purposes of paragraph 4(b)(iii) is not clear. UDRP panelists are again divided in their interpretation of this term, and consequently differ in their views as to the circumstances that must exist in order to justify finding a competitive relationship that leads to the application of paragraph 4(b)(iii).

Generally, two main views can be discerned. Some panelists express a restricted view, in terms of which the term 'competitor' is narrowly interpreted to connote that only a direct commercial or business competitor of the complainant's would fall within the ambit of paragraph 4(b)(iii).⁶¹⁰ Other panelists have interpreted the term 'competitor' broadly in extending the ambit of paragraph 4(b)(iii) potentially to encompass any respondent 'acting in opposition to'⁶¹¹ the complainant as a 'competitor' of the complainant's.⁶¹² Some panels favouring the broad interpretation of the term 'competitor' have even waived the need for finding a competitive relationship,⁶¹³ while others have concluded that a disputed domain name used to criticise the complainant was registered with the intent of disrupting a competitor's business.⁶¹⁴

WIPO Case No D2005-0556; *Expedia Inc v Albert Abramov* NAF Case No FA817182 (20 November 2006); *Ebynum Enterprises Inc Tag-Board.com Corporation* NAF Case No FA817104 (15 December 2006).

⁶⁰⁹ See *Surface Protection Industries Inc v The Webposters* WIPO Case No D2000-1613; *The Cheesecake Factory Inc v Say Cheesecake* WIPO Case No D2005-0766; *The Highland Street Connection v Chris McGrath* WIPO Case No D2006-0516.

⁶¹⁰ See *Vishwa Nirmala Dharma v Sahaja Yoga Ex-Members Network* WIPO Case No D2001-0467; *Savin Corporation v savinsucks.com* NAF Case No FA103982 (5 March 2002); *Covance Inc v The Covance Campaign* WIPO Case No D2004-0206; *Advanced Internet Technologies Inc v Mark Bianchi* NAF Case No FA245965 (11 May 2004); *Ryanair Limited v Michael Coulston* WIPO Case No D2006-1194.

⁶¹¹ *Mission KwaSizabantu v Benjamin Rost* WIPO Case No D2000-0279.

⁶¹² See *Infospace.com Inc v Hari Prakash* WIPO Case No D2000-0076; *E & J Gallo Winery v Hanna Law Firm* WIPO Case No D2000-0615; *Estée Lauder Inc v Estelauder.com* WIPO Case No D2000-0869; *Adams and Reese LLP v American Distribution Systems Inc* NAF Case No FA102860 (6 February 2002); *Darl McBride v Peter Prior* NAF Case No FA201643 (17 November 2003); *Gerber Products Company v LaPorte Holdings* WIPO Case No D2005-1277; *St Lawrence University v Nextnet Tech* NAF Case No FA881234 (21 February 2007). See further Bettinger op cit note 14 at 1120; Lindsay op cit note 9 ¶ [7.19.2].

⁶¹³ *The Avenue Inc, United Retail Incorporated v Chris Guirguis, Sam Guirguis* WIPO Case No D2000-0013; *Hunton and Williams v ADSI/Defaultdata.com, American Distribution Systems, Inc d/b/a Nameisforsale.com* WIPO Case No D2000-0501. See further Bettinger op cit note 14 at 1120; Lindsay op cit note 9 ¶ [7.19.2].

⁶¹⁴ *E & J Gallo Winery v Hanna Law Firm* WIPO Case No D2000-0615; *The Toronto-Dominion Bank v Boris Karpachev* WIPO Case No D2000-1571; *Gardene Wynne Sewell LLP v DefaultData.com* WIPO Case No D2001-1093; *Arnold Clark Automobiles Limited v Thomas (aka Tam) Coughlan* WIPO Case No

Panel decisions involving parties in the United States have, however, taken a more restricted view regarding web sites used for the purposes of criticising the complainant: they have refused to find that the respondent is a competitor of the complainant's, because of a different and more liberal approach to freedom of expression.⁶¹⁵

3.3.3.4 Intentionally Attempting to Attract Internet Users by Creating a Likelihood of Confusion with the Complainant's Mark

The fourth non-exclusive factor to be regarded as evidence of the registration and use in bad faith of the domain name in question is stated in paragraph 4(b)(iv): 'by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other online location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location'.

3.3.3.4.1 'Use' for the Purposes of Paragraph 4(b)(iv)

There is an inherent tension between item (iv) and the three circumstances of abusive registration listed in items (i) to (iii) of paragraph 4(b) – item (iv) refers to the 'use' of the domain name, whereas the other three items refer to the 'registration' of the disputed domain name. Panel practice indicates that bad-faith registration is inferred when all the elements of paragraph 4(b)(iv) are established, unless, of course, the respondent can prove that the domain name was registered in good faith. Moreover, paragraph 4(b)(iv) which refers only to the 'use' of the domain name, also seems to be in conflict with paragraph 4(a)(iii), which states the composite requirement that the domain name must be registered *and* used in bad faith. The 'use' required by paragraph 4(b)(iv) can be active or passive. UDRP panels have found use in circumstances where the respondent's web site was still under construction,⁶¹⁶ or 'coming soon', by arguing that even threatened harm constituted 'use' for the purposes of paragraph 4(b)(iv).⁶¹⁷

D2002-0909; *CryptoLogic Inc v Internet Billions Domains Inc* NAF Case No FA318925 (5 November 2004); *C & W Motors v Carlos Alvarez* WIPO Case No D2005-0270.

⁶¹⁵ *Sermo Inc v CatalystMD LLC* WIPO Case No D2008-0647; *Sutherland Institute v Continuative LLC* WIPO Case No D2009-0693.

⁶¹⁶ *Bancolumbia sa v Elpidia Finance Corp* WIPO Case No D2000-0545.

⁶¹⁷ Bettinger op cit note 14 at 1121.

3.3.3.4.2 ‘Intentionally Attempting to Attract’

Although the words ‘intentionally attempting’ in paragraph 4(b)(iv) seem to indicate that the subjective intention of the respondent should be established to determine if the ‘use’ of the domain name was subjectively intended for the purpose of attracting Internet users to the respondent’s web site, UDRP panels have adopted an approach in terms of which the respondent’s ‘subjective intention’ in using the domain name is objectively determined by the respondent’s conduct. In *Paule Ka v Paula Korenek*,⁶¹⁸ the panel justified an objective test to determine if the respondent intentionally attempted to attract Internet users to the respondent’s web site:

‘It is difficult to enter the minds of the parties to determine their subjective intent. The proper test in this Panel’s view is whether the objective consequence or effect of the Respondent’s conduct is to free-ride on the Complainant’s goodwill, whether or not that was the primary (subjective) intent of the Respondent.’

This objective test has since *Paule Ka* been applied in a number of decisions in which panels had to determine whether the respondent had used the domain name with the intention to attract Internet users to the respondent’s web site.⁶¹⁹ All the relevant circumstances of the case, even the conduct of third parties,⁶²⁰ should be considered⁶²¹ to determine whether the respondent had used the domain name with the intention to attract Internet users to the respondent’s web site.

3.3.3.4.3 ‘Commercial Gain’

UDRP panels find that the element of ‘commercial gain’ has been satisfied where the facts indicate the potential for commercial gain, or actual commercial gain.⁶²² Instances of commercial gain for the purposes of paragraph 4(b)(iv) are typically rather obvious,⁶²³

⁶¹⁸ WIPO Case No D2003-0453.

⁶¹⁹ See *Glaxco Group Limited, SmithKlineBeecham Corporation v Michale Kelly* WIPO Case No D2003-0453; *Lifetime Products Inc v IQ Management Corporation* WIPO Case No D2004-0719; *Permatex Inc v Mounir Mati* WIPO Case No 2005-0954; *Lo Monaco Hogar SL v MailPlanet.com Inc* WIPO Case No D2005-0896; *Elite Model Management Corporation v Wesley Perkins* WIPO Case No D2006-0297; *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642.

⁶²⁰ *Park Place Entertainment Corporation v Anything.com* WIPO Case No D2002-0530. For a more detailed discussion of the respondent’s intent to attract Internet users to the respondent’s web site, see also Lindsay op cit note 9 ¶ [7.20.2].

⁶²¹ For decisions which have held that bad-faith registration or use should be inferred from all the circumstances of the case, see *XM Satellite Radio Inc v Michael Bakker* NAF Case No FA861120 (27 February 2007); *Denver Newspaper Agency v Jobing.com LLC* NAF Case No FA1282148 (16 October 2009); *StreetPrices.com Inc v Nett Corp* NAF Case No FA1280020 (10 November 2009).

⁶²² Bettinger op cit note 14 at 1121.

⁶²³ Berkman Center op cit note 314 at section [3.2.4.2].

with panels not afraid of finding ‘commercial gain’ for the purposes of paragraph 4(b)(iv) even where such gain can merely be inferred.⁶²⁴ Whether the ‘commercial gain’ is ultimately used by the respondent for charitable purposes seems to be irrelevant.⁶²⁵

3.3.3.4.4 Attempting to Attract Internet Users by Creating a Likelihood of Confusion with the Complainant’s Mark

The term ‘attracting’ Internet users have been interpreted by UDRP panels also to connote the ‘diverting’ or ‘redirecting’ of Internet users to the respondent’s web site located at the domain name in question. The ‘attracting’, ‘diverting’, or ‘redirecting’ of Internet users must, at the same time, create the likelihood of confusion with the complainant’s trade mark or service mark in order for bad faith to be found for the purposes of paragraph 4(b)(iv). The fact that the likelihood of confusion is dispelled as soon as Internet users arrive at the respondent’s web site, generally, does not seem to avoid a finding of likelihood of confusion.⁶²⁶ Moreover, actual confusion is not required; rather, a mere potential for confusion on the part of Internet users seems to be sufficient.⁶²⁷ The question as to whether the posting of a disclaimer on the respondent’s web site avoids a finding of a likelihood of confusion with the complainant’s trade mark is still a largely unanswered question. Some UDRP panels consider a disclaimer on the respondent’s web site as evidence of a lack of bad faith for the purposes of paragraph 4(b)(iv),⁶²⁸ while others have found that the presence of a disclaimer on the respondent’s web site is insufficient to dispel initial confusion on the part of Internet users.⁶²⁹

⁶²⁴ See, for example, *Blue Cross and Blue Shield Association, Trigon Insurance Company Inc dba Trigon Blue Cross Blue Shield v Interactive Communications Inc* WIPO Case No D2002-0788; *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642.

⁶²⁵ *Monty and Pat Roberts Inc v Bill Keith* WIPO Case No D2000-0299; *The Professional Golfers’ Association of America (PGA) v Provisions LLC* WIPO Case No D2004-0576; Bettinger op cit note 14 at 1122.

⁶²⁶ Bettinger op cit note 14 at 1122.

⁶²⁷ Ibid.

⁶²⁸ See, for example, *Al-Anon Family Group Headquarters Inc v Don Reid* WIPO Case No D2000-0232; *Galatasaray Sportif Sinai ve Ticari Yatirimlar AS, Galatasaray Pazarlama AS, Galatasaray Spor Kulubu Dernegi v Maksimum Iletisim Hizmetleri AS* WIPO Case No D2002-0726; *Covance Inc v The Covance Campaign* WIPO Case No D2004-0206; *America Online Inc v Anytime Online Traffic School* NAF Case No FA146930 (11 April 2003); *CBS Broadcasting Inc f/k/a CBS Inc v Nabil Zaghoul* WIPO Case No D2004-0988.

⁶²⁹ See, for example, *Madonna Ciccone v Dan Parisi* WIPO Case No D2000-0847; *Estée Lauder Inc v Estelauder.com* WIPO Case No D2000-0869; *New York Times v New York Internet* WIPO Case No D2000-1072; *Bonneterie Cevenole SARL v Sanyouhuagong* WIPO Case No D2001-1309; *Seiko Epson Corporation and Epson America Inc v Domain Administrator* NAF Case No Fa544995 (11 October 2005);

Where there is an attempt by the respondent to attract, divert, or redirect Internet users by using a domain name that is identical or confusingly similar to the complainant's trade or service mark, and the respondent was deemed to have actual or imputed knowledge of the complainant's trade or service mark, the attraction, diversion, or redirection is considered by UDRP panels as likely to create confusion with the complainant's trade or service mark. The following forms of attraction, diversion, or redirection have most commonly been found to meet the requirements of paragraph 4(b)(iv): (a) the respondent's using the domain name to attract Internet users to the respondent's web site for commercial gain;⁶³⁰ (b) the respondent's using the disputed domain name to redirect Internet users to other web sites in return for commercial gain;⁶³¹ and (c) the respondent's using the domain name to direct Internet users to pornographic web sites.⁶³²

4 Reverse Domain Name Hijacking for Purposes of the UDRP

Paragraph 1 of the UDRP Rules defines reverse domain name hijacking as 'using the Policy in bad faith to attempt to deprive a registered holder of a domain name'.

Pursuant to paragraph 15(e) of the UDRP Rules, a respondent may request a UDRP panel to declare that the complaint was lodged in an attempt at reverse domain-name hijacking. Paragraph 15(e) states:

'If after considering the submissions the Panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain name holder, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.

Asset Loan Co Pty Ltd v Gregory Rogers WIPO Case No D2006-0300; *World Natural Bodybuilding Federation Inc v Daniel Jones TheDotCafe* WIPO Case No D2008-0642.

⁶³⁰ See, for example, *Marioff Corporation Oy v Ultra Fog AB* WIPO Case No D2000-0521; *MathForum.com v Weiguang Huang* WIPO Case No D2000-0743; *International Organization for Standardization v International Supplier Operations Audit Services* WIPO Case No D2002-0460; *Mamas & Papas Holdings Limited v QTK Internet* WIPO Case No D2004-0496; *Wellspring Products LLC v Meridian LifeForce Inc* NAF Case No FA812927 (17 November 2006).

⁶³¹ See, for example, *Alta Vista Company v Andrew Krotov* WIPO Case No D2000-0091; *Nokia Corporation v Private* WIPO Case No D2000-1271; *Nintendo of America Inc v Pokemonplanet.net* WIPO Case No D2001-1020; *Best Western International Inc v QTK Internet* NAF Case No FA124994 (17 October 2002); *Corbis Corporation v RegisterFly.com* WIPO Case No D2006-0546.

⁶³² See, for example, *Bass Hotels and Resorts Inc v Mike Rodgerall* WIPO Case No D2000-0568; *America Online Inc v East Coast Exotics* WIPO Case No D2001-0661; *Perlier SpA v Mr Stanley Filoramo* WIPO Case No D2003-0848; *Expedia Inc v Vinyl Grooves Inc.* NAF Case No FA781917 (3 October 2006); see further Bettinger op cit note 14 at 1122-1123; Lindsay op cit note 9 ¶ [7.20.3].

Paragraph 15(e) obliges UDRP panelists to consider, in context of the particular circumstances of each individual dispute, whether the complainant has committed reverse domain-name hijacking. A finding of reverse domain name hijacking is accordingly not dependent on the respondent requesting such a finding,⁶³³ and not an automatic consequence flowing from the fact that the complainant was unsuccessful with the complaint.⁶³⁴

Respondents requesting a finding of reverse domain-name hijacking can establish that the complaint was lodged in bad faith for the purposes of paragraph 15(e), where the respondent can establish any one of the following four circumstances: (a) the complainant was aware of the fact that the respondent had rights to, or legitimate interests in the domain name, or was aware of the absence of bad faith on the respondent's part, but still lodged a complaint;⁶³⁵ (b) the complainant lodged the complaint in a knowing disregard of the fact that the respondent may have legitimate interests in the domain name;⁶³⁶ (c) the complainant lodged a complaint while being fully aware that it did not have the required rights to the trade or service mark that forms the subject matter of the dispute;⁶³⁷ and (d) a lack of candour with the panel on the part of the complainant about the true facts of the dispute.⁶³⁸ However, where a complainant can show that none of these circumstances is present, a panel may decide that a finding of reverse domain-name hijacking is not warranted.

⁶³³ See *Howard Jarvis Taxpayers Association v Paul McCauley* WIPO Case No D2004-0014; *Goway Travel Limited v Tourism Australia* WIPO Case No D2006-0344.

⁶³⁴ *Jazeera Space Channel TV Station v AJ Publishing aka Aljazeera Publishing* WIPO Case No D2005-0309; *Deutsche Post AG v NJDomains* WIPO Case No D2006-0001; *Avio Spa v William Obeid* WIPO Case No D2008-0295; Lindsay op cit note 9 ¶ [4.17].

⁶³⁵ See, for example, *Goldline International Inc v Gold Line* WIPO Case No D2000-1151; *Futureworld Consultancy (Pty) Limited v Online Advice* WIPO Case No D2003-0297.

⁶³⁶ See, for example, *K2r Produkte AG v Jeremie Trigano* WIPO Case No D2000-0622; *Smart Design LLC v Carolyn Hughes* WIPO Case No D2000-0993; *Yell Limited v Ultimate Search* WIPO Case No D2005-0091; *Goway Travel Limited v Tourism Australia* WIPO Case No D2006-0344; *The Exit Light Company Inc v Gary Glass* NAF Case No FA849010 (1 February 2007).

⁶³⁷ See, for example, *Aspen Grove Inc v Aspen Grove* WIPO Case No D2001-0798; *Her Majesty the Queen, in Right of Her Government in New Zealand v Virtual Countries Inc* WIPO Case No D2002-0754 (for a detailed discussion of this decision, see Chaudri op cit note 130 at 364); *Mess Enterprises v Scott Enterprises Ltd* WIPO Case No D2004-0964.

⁶³⁸ See *Société des Produits Nestlé SA v Pro Fiducia Treuhand AG* WIPO Case No D2001-0196; *Comport AG v Comport.com/ Vertical Axis Inc* WIPO Case No D2009-0462; *Cheung Kong (Holdings) Limited and Chueng Kong Property Development Limited v Netego DotCom* WIPO Case No D2009-0540; Bettinger op cit note 14 at 1136-1137; Lindsay op cit note 9 ¶ [4.17].

The concept of reverse domain-name hijacking is an obvious attempt to balance the rights and interests of the parties to a domain-name dispute to be resolved in terms of the UDRP. A finding of reverse domain-name hijacking can accordingly be described as an 'equitable remedy'.⁶³⁹ Although the UDRP was designed primarily to address 'cybersquatting', the unique concept of reverse domain-name hijacking aims at extending some form of protection (not nearly enough, according to some)⁶⁴⁰ to domain-name registrants against unjustified claims of overreaching trade-mark rights. The parameters of the delicate balance sought to be struck has not yet been clarified by UDRP practice, but it is clear that there is a fine line between what can be regarded as an aggressive enforcement of its trade-mark rights on the part of the complainant, on the one hand, and abuse of process in the form of reverse domain-name hijacking, on the other. The UDRP is silent on where this elusive line should be drawn, and it is accordingly for UDRP panels to assess the conduct of the parties in the context of the specific circumstances of the dispute to determine whether such conduct can be deemed to have crossed the line.⁶⁴¹

5 UDRP: Concluding Remarks

During the latter part of the 1990s the unauthorised adoption and use of trade-mark proprietors' marks, especially marks associated with well-known and famous brands, for domain names were at the order of the day. From pressure of circumstance the UDRP was born just more than a decade ago. The UDRP, a pioneering international dispute-resolution model, provides an effective, cheap, and speedy solution to the serious problem of 'cybersquatting'. This hybrid model saw the amalgamation of judicial, arbitral, and ministerial decision-making models. At the same time, neither its substantive content nor its prescriptive force depended on the laws, institutions, or enforcement mechanisms of any single national jurisdiction or international treaty regime.⁶⁴² Indeed, the UDRP held the promise of a unique and revolutionary model for supranational law making, supranational adjudication, and the international enforcement of rights.⁶⁴³

⁶³⁹ Bettinger op cit note 14 at 1136.

⁶⁴⁰ Zainol Zinatul A 'The Chronicles of Electronic Commerce: Reverse Domain Name Hijacking Under the Uniform Dispute Resolution Policy' (2010) 16 *European LJ* 233.

⁶⁴¹ *Lockheed Martin Corporation v The Skunkworx Custom Cycle* WIPO Case No D2004-0824; Lindsay op cit note 9 ¶ [4.17].

⁶⁴² Helfer and Dinwoodie op cit note 494 at 149.

⁶⁴³ Dinwoodie Graeme B 'National Trademark Laws and the (Non National) Domain Name System' (2000) 21 *Univ of Pennsylvania J of International Economic Law* 495 at 511.

Some unforeseen and troublesome peculiarities of the international domain-name system, especially regarding a number of contentious trade-mark issues, however, made the fulfilment of the promise more arduous than initially anticipated. Panelists of different nationalities who have been confronted with these contentious issues in an international context in the form of a supranational adjudication system, have often found it difficult not only to venture beyond the uncertainties regarding the application and interpretation of the core principles of the UDRP, but also to deal with the inherent tensions between the international domain-name system and the largely national trade-mark law system. Balancing the independent policy objectives and interests underpinning each of these systems has proved to be exceptionally troublesome. The often unpredictable and inconsistent decision making raises concerns about the legitimacy and fairness of the system. Accusations of partiality and a bias towards trade-mark proprietors have often been levelled at UDRP panelists.⁶⁴⁴ Although these are, for the most part, significantly exaggerated,⁶⁴⁵ some criticism regarding the perceived shortcomings of the UDRP and UDRP practice that affected the legitimacy and fairness of the UDRP is not without merit.⁶⁴⁶ Even the UDRP's most ardent advocates admit it has 'warts' that cannot be ignored.⁶⁴⁷

Apart from these issues which I have dealt with extensively in this chapter, and which are obviously in need of clarification, one also cannot ignore the fact that the paradigm within which the UDRP operates has changed during the past decade. The change in social values,⁶⁴⁸ a progressive and more complex Internet community, new domain-

⁶⁴⁴ See Diégues op cit note 251 at 353-354; Donahey M Scott 'The UDRP and the Absence of the Rule of Law' (2000) 6 *J of Internet Law* 15; Froomkin A Michael 'Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution' (2000) 50 *Duke LJ* 17 at 37; Froomkin op cit note 79 at 690; Geist Michael 'Fair.com? An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP' (2002) 27 *Brooklyn J of International Law* 903; Mueller Milton 'Rough Justice: An Analysis of ICANN's Uniform Dispute Resolution Policy' (2001) 17 *The Information Society* 151; Thornburg Elizabeth G 'Fast, Cheap and Out of Control: Lessons from the ICANN Dispute Resolution Process' (2002) 6 *J of Small & Emerging Business Law* 191; Donahey M Scott 'The Uniform Domain Name Dispute Resolution Policy and the Appearance of Partiality' (2002) 19 *J of International Arbitration* 33.

⁶⁴⁵ See Bettinger op cit note 14 at 1138; Pistorius op cit note 419 at 677; Sharrock Lisa M 'The Future of Domain Name Dispute Resolution: Crafting International Legal Solutions from within the UDRP Framework' (2001) 51 *Duke LJ* 817 at 838.

⁶⁴⁶ See Wotherspoon David and Cameron Alex 'Reducing Inconsistency in UDRP Cases' (2003) 2 *Canadian J of Law and Technology* 71.

⁶⁴⁷ Willoughby op cit note 99 at 549; Donahey M Scott 'The UDRP – Fundamentally Fair, but far from Perfect' (2001) 6 *Electronic Commerce and Law Reports* 937.

⁶⁴⁸ Lipton op cit note 237 at 1438.

name practices,⁶⁴⁹ and a more mature body of domain-name law and practice combine to demand a more expansive approach to domain-name dispute resolution. Maybe the time has come for those responsible for the formulation, implementation, and administration of the UDRP, notably ICANN and WIPO, not only to admit that the UDRP needs amendment, but also that times change and that there is again, as was the case a decade ago, a need for guidance.

There are a number of possibilities: (a) a back-to-basics approach in which a clear and unambiguous policy statement is made to clarify that the UDRP should be construed and applied only in the narrow and restrictive sense originally intended;⁶⁵⁰ (b) an amendment of the UDRP adequately to deal with the most contentious issues that have come to the fore during the past decade of UDRP practice, some of which have already been addressed in some more recent domain-name dispute-resolution policies that are essentially based on the UDRP, such as the South African domain name dispute resolution regulations;⁶⁵¹ (c) the implementation of a number of ancillary processes and structures aimed at improving the consistency, impartiality, and certainty of decision making in UDRP practice;⁶⁵² (d) developing new policy and mechanisms akin to the UDRP that are specifically aimed at promoting and protecting the rights to and interests in domain names that were not intended for, or suited to, promotion or protection in line with the narrow, original scope of the UDRP.

All in all, though, the UDRP has been successful, even 'sublime',⁶⁵³ in effectively addressing the main vice for which it was originally drafted. The UDRP has not only served the crucial function of providing a platform for the resolution of international domain-name disputes, but has also served as a springboard for the resolution of domain-name disputes in national jurisdictions which have either adopted the UDRP as is, or have based national policy on the UDRP, as was the case with the South African regulations.⁶⁵⁴

⁶⁴⁹ Willoughby op cit note 99 at 549. These practices include domain-name hijacking, domain-name tasting, bulk domain-name registrations, domain-name warehousing, and automated domain-name transfers.

⁶⁵⁰ Willoughby op cit note 342 at 718 and 724.

⁶⁵¹ For suggestions, see 5 and 6 below.

⁶⁵² For suggestions, see 5 5 below.

⁶⁵³ Willoughby op cit note 99 at 549.

⁶⁵⁴ For a detailed analysis of the South African domain-name dispute-resolution regulations, see chapter 5 below. See also Willoughby op cit note 342 at 716: he states that at the end of 2009, more than 60 countries were using the UDRP or variants of the UDRP for the resolution of domain-name disputes in their ccTLDs. For

The UDRP has, generally, delivered on its promise, and has proved itself to be the protagonist for the innovative legal regulation of digital technology, especially in the context of intellectual property law. The UDRP created an effective, inexpensive, and desperately needed solution to the problem of 'cybersquatting', and has revolutionised international law-making policy, alternative dispute-resolution practice, and intellectual property law, and continues to do so.

a current list of countries for which WIPO provide domain-name dispute-resolution services in terms of the UDRP or policies based on the UDRP, see <<http://arbitrator.wipo.int/domains/cctld/index.html>> (accessed 10 November 2010).