

THE FUTURE OF DOMAIN NAME DISPUTE RESOLUTION: CRAFTING PRACTICAL INTERNATIONAL LEGAL SOLUTIONS FROM WITHIN THE UDRP FRAMEWORK

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INTRODUCTION

During the last twenty-five years, the Internet has evolved from a United States government research project into a prominent international medium of communication.¹ Throughout this evolution, the domain name system (DNS) has played a major role in the rise of the Internet's popularity by providing a "human friendly" method of Internet navigation,² thus facilitating international commerce and a global exchange of knowledge. The rapid growth of the Internet and the development of the DNS, however, have come with a price—namely, an immense strain on an international trademark law system ill equipped to deal with cyber-controversies.³ As the United States

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1. The Internet has its roots in the Advanced Research Project Agency Network (ARPANET), a research network established in the early 1970s by the United States Department of Defense. Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,741 (June 10, 1998) [hereinafter White Paper]. ARPANET was linked to research networks of other governmental agencies in a "network of networks" that became known as the Internet. *Id.* The rapid growth of the Internet into a mass-market means of communication was set in motion in 1992, when the National Science Foundation (NSF) was given statutory authority to allow commercial activity on a national high-speed network. Scientific and Advanced-Technology Act of 1992, Pub. L. No. 102-476, § 4, 106 Stat. 2297, 2300.

2. *WIPO Internet Domain Name Process*, World Intellectual Property Organization, para. 54, at <http://wipo2.wipo.int/process1/report/finalreport.html> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*). In its early form, the Internet required users to use Internet protocol (IP) addresses, a unique series of numbers corresponding to each individual computer's location, to navigate the network. White Paper, *supra* note 1, at 31,741. Under the DNS, IP addresses still serve as unique identifiers for each Internet computer, but the user merely types in an alphanumeric domain name, which is then translated by the network into the IP address corresponding to a given website or other specified location. *Id.*

3. The prefix "cyber" is derived from the term "Cyberspace," the origin of which is generally credited to William Gibson, who used the term in his novel *Neuromancer*. WILLIAM

Court of Appeals for the Second Circuit has opined, applying established trademark law in the Internet context is “somewhat like trying to board a moving bus.”⁴ This problem is necessarily exacerbated in the international context where, to continue the bus analogy, it is difficult to determine where the bus is located or even whether the bus has a physical presence at all.

Disputes over rights to domain names, which serve a source-identifying function in cyberspace, arise at the heart of this intersection between international trademark law and the Internet. In an effort to reconcile the unique complexities presented by domain name disputes, a host of vehicles have developed by which aggrieved parties may assert their rights. With a few notable exceptions,⁵ these remedies may be obtained in one of two forums—traditional litigation⁶ or private arbitration under the Uniform Domain Name Dispute Resolution Policy⁷ (UDRP) promulgated by the Internet Corporation for Assigned Names and Numbers (ICANN), the nonprofit organization that manages the DNS.⁸

GIBSON, NEUROMANCER 51 (1984). “Cyber” is attached to all kinds of other words “to denote Internet-related things.” *Sporty’s Farm L.L.C. v. Sportsman’s Market, Inc.*, 202 F.3d 489, 493 n.5 (2d Cir. 2000).

4. *Bensusan Rest. Corp. v. King*, 126 F.3d 25, 27 (2d Cir. 1997).

5. See *infra* Part II.B (discussing cases that do not fall under the jurisdiction of the Uniform Domain Name Dispute Resolution Policy).

6. Litigation commonly occurs under the Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (1994 & Supp. V 1999). See *infra* Part I.B.1.

7. *Uniform Domain Name Dispute Resolution Policy*, ICANN, at <http://www.icann.org/udrp/udrp-policy-24oct99.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

8. *Id.* ICANN controls all IP address space allocation, protocol parameter assignment, DNS management, and root server system management functions. *About ICANN*, ICANN, at <http://www.icann.org/general/abouticann.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*). ICANN wants to be perceived not as a United States entity, but as fully international in its functional scope. See *ICANN Articles of Incorporation*, ICANN, at <http://www.icann.org/general/articles.htm> (Nov. 21, 1998) (on file with the *Duke Law Journal*) (describing how ICANN is organized). The bylaws describe ICANN’s place within the international Internet community by stating that “[t]he Corporation shall operate for the benefit of the Internet community as a whole, carrying out its activities in conformity with relevant principles of international law and applicable international conventions and local law To this effect, the Corporation shall cooperate as appropriate with relevant international organizations.” *Id.*

ICANN is run by a board of nineteen directors, including its president, nine at-large directors, and nine directors selected by ICANN’s three supporting organizations. *About ICANN*, *supra*. Five of the current at-large directors were selected according to a vote of Internet users worldwide. *Id.* Within the ICANN framework, the three supporting organizations are specific to addresses, domain names, and protocol, and are charged with assisting, reviewing, and developing recommendations on Internet policy and structure within their specialized areas. *Supporting Organizations*, ICANN, at <http://www.icann.org/support-orgs.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

The UDRP, the comparatively fast⁹ and inexpensive¹⁰ option, has become the overwhelmingly preferred mechanism for domain name dispute resolution.¹¹ Despite its widespread use, however, the UDRP is an imperfect system. Specifically, it provides too little guidance to arbitrators, a flaw that has led to inconsistent decisions on several key domain name use issues and, relatedly, concern that some decisions exhibit a bias toward corporate trademark holders.¹² Additionally, to the extent that the UDRP has provided uniform principles of dispute resolution, these principles are inapplicable to a growing segment of domain names; namely, those obtained through registrars not accredited by ICANN or through a country code authority that has not elected to bind its registrants to the UDRP.¹³

In this Note, I discuss these concerns and recommend several measures that will enable ICANN to craft the UDRP into a more effective and uniform international dispute resolution mechanism. I argue that the problem of inconsistent decisions should be addressed by amending the UDRP to add specific examples of conduct that violates the policy, as well as examples of conduct that should be considered explicitly outside its scope. Relatedly, the amendments to the UDRP should attempt to dispel any appearance of pro-corporation bias and should bolster fair use as a justification for registration and use of trademarked domain names. Finally, I conclude that the interests of the Internet community will be best served if all country code registration authorities and non-ICANN accredited providers submit to either the UDRP or an identical dispute resolution policy, and I suggest methods by which ICANN can encourage attainment of this goal.

9. UDRP decisions generally issue within two months of filing, much more quickly than decisions in traditional litigation. See David H. Bernstein, *Litigating by Email with UDRP*, N.Y.L.J., Aug. 21, 2000, at S3 (“[T]he electronic dispute resolution is remarkably fast, resulting in decisions in about 45 days.”).

10. The typical UDRP filing costs less than \$10,000, including the filing fee. *Id.*

11. In contrast to the mere handful of ACPA cases that have been filed, there were more than 7500 UDRP proceedings filed between December 1999 and September 2001. *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, ICANN, at <http://www.icann.org/udrp/proceedings-stat.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*) [hereinafter *Statistical Summary*].

12. See *infra* Part II.A.

13. See *infra* Part II.B.

I. OVERVIEW OF DOMAIN NAME DISPUTES AND REMEDIES

A. *Typical Domain Name Disputes*

There is an inherent conflict between trademark law and the domain name system. Under trademark law, two or more users of a mark may legally coexist,¹⁴ but in cyberspace multiple users cannot lay claim to a single domain name. To cite a frequently noted example, although United Airlines and United Van Lines both have valid trademark rights in “United” for their respective goods and services, only one party can register united.com. Furthermore, because the costs of complete investigation are prohibitively high, some domain name registries award domain names to the first claimant regardless of whether the name contains another’s trademark, or even whether the registrant has any rights in the word or phrase at all. As such, an individual or company with the foresight to beat a trademark holder to the punch often is able to register a domain name containing any trademark or variation thereof.¹⁵

Because of this first-come, first-served registration scheme, a party with no rights in a trademark belonging to another sometimes uses it as a domain name to sell competing products or services. Such conduct clearly causes consumer confusion and falls squarely within the prohibitions of infringement law.¹⁶ Cases of this type thus far have been easily addressed under traditional Lanham Act analysis by the United States courts,¹⁷ and presumably would be resolved similarly in other nations adhering to the Agreement on Trade-Related Aspects

14. As an illustration, at least fourteen different companies, in addition to Apple Computer, have federally registered “Apple” as a trademark with the United States Patent and Trademark Office. Mark Radcliffe, *Trading on Your Brand Name*, LEGAL TIMES, Feb. 14, 2000, at 38.

15. For example, in 1994 a journalist not only registered mcdonalds.com, but also assigned the user name “ronald,” thus creating ronald@mcdonalds.com. The registrant later gave up the name without a court battle when McDonald’s agreed to donate several thousand dollars to a local school. Joshua Quittner, *What’s in a Name? Some Net Addresses Are as Precious as Madison Avenue Real Estate*, TIME, June 24, 1996.

16. See 15 U.S.C. §§ 1114, 1125 (1994 & Supp. V 1999) (codifying the likelihood of confusion standard for infringement of registered and unregistered marks).

17. See, e.g., *Comp Examiner Agency, Inc. v. Juris, Inc.*, No. 96-0213-WMB(CTx), 1996 U.S. Dist. LEXIS 20259 (C.D. Cal. Apr. 25, 1996) (granting a preliminary injunction where the defendant had used the plaintiff’s incontestable mark “Juris” as a domain name for a website aimed at soliciting business from Juris’s target market of lawyers and law firms); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25.76 (4th ed. 2000) (explaining how the use of a domain name could be a form of infringement).

of Intellectual Property Rights (TRIPS), which requires its members to provide an exclusive right for registered trademark owners against unauthorized third-party use “where such use would result in a likelihood of confusion.”¹⁸

However, domain name registration and use give rise to a host of other legal controversies, many of which do not fit so neatly into traditional trademark analysis. The spectrum of domain name disputes covers conduct ranging from conflicts between multiple holders of identical marks;¹⁹ “pure speculation,” the registration of untrademarked popular words as domain names to resell them for profit;²⁰ and “cybersquatting,” the practice of registering domain names that contain trademarks owned by other parties in order to extract a ransom.²¹

1. *Disputes Involving Multiple Trademark Holders.* Where more than one party has trademark rights in the same word or phrase, disputes arise as to who may control domain names incorporating the trademarked term. *Nissan Motor Co. v. Nissan Computer Corp.*,²² pending in the District Court for the Central District of California, is illustrative of the bitter clashes that can occur between multiple holders of identical marks in the Internet setting. Uzi Nissan (his given name) registered nissan.com in 1994 to provide computer-related information and services through his company, Nissan Computer Corporation.²³ After discovering that the site included several banner advertisements for car-related products, Nissan Motor Company filed suit alleging both cybersquatting and traditional infringement.²⁴ The court agreed in part with Nissan Motor, finding a likelihood of success on the infringement claim.²⁵ In response, the court granted a partial

18. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 16(1), 33 I.L.M. 1197, 1203 [hereinafter TRIPS].

19. *See infra* Part I.A.1.

20. *See infra* notes 31, 36 and accompanying text.

21. *See infra* notes 32–36 and accompanying text.

22. 89 F. Supp. 2d 1154 (C.D. Cal. 2000).

23. *Id.* at 1157.

24. *Id.*

25. *Id.* at 1164. The court did not specifically address the cybersquatting claim, finding the infringement claim sufficient to merit a preliminary injunction. *See id.* at 1162 (“The plaintiffs argue that they are likely to succeed on the merits on all of their claims. However, the Court need only address the plaintiffs’ claim of trademark infringement . . .”). The Ninth Circuit subsequently affirmed the preliminary injunction. *Nissan Motor Co. v. Nissan Computer Corp.*, No. 00-55678, 2000 U.S. App. LEXIS 33937, at *3 (9th Cir. Dec. 26, 2000).

preliminary injunction against use of any automobile-related information on the site and required the posting of a prominent disclaimer referring visitors to Nissan Motors' website.²⁶ The parties do not appear close to settlement,²⁷ and further proceedings in the case will serve as an important indication of how small companies can expect to fare in the multiple trademark holder setting against larger companies challenging their registrations.

In contrast to the *Nissan Motor* case, some multiple trademark holder conflicts have been settled peaceably. One manner in which such peaceful resolution may occur is for the parties to enter into an agreement that allows them to share a particular domain name. For example, the domain name can be used as a shared website that serves as a gateway containing links to the sites of each party.²⁸ Another solution is for the first party who registers the domain name to elect, out of courtesy or by agreement, to provide a disclaimer and link to the other party's site.²⁹ Both types of shared sites significantly decrease consumer confusion and search costs, thereby promoting key goals of the trademark system.³⁰ Such agreements are not always possible, as a *Nissan Motor* situation will inevitably result where either the registrant refuses to cooperate or the other party is not satisfied with anything short of a full transfer of control. However, private agreements between the parties, where feasible, best serve the interests of the Internet community by allowing the first-to-register practice of the DNS to peacefully coexist with the multiple-user structure of the trademark system.

26. *Nissan Motor*, 89 F. Supp. 2d at 1165.

27. See *Nissan Domain Name Dispute: General Notes and FAQ (Frequently Asked Questions)*, Nissan Computer Corporation, at <http://www.ncchelp.org/FAQ/faq.htm> (last visited Oct. 10, 2001) (on file with the *Duke Law Journal*) ("The domain name is not for sale.").

28. For example, when an Internet user types in "www.scrabble.com," the site reads: "Welcome to the Official Worldwide Scrabble Home Page . . . Select here if you are a resident of the USA, Canada or their respective territories . . . Select here if you do not live in the USA, Canada, or their respective territories." *Scrabble Home Page*, WorldWide Scrabble, at <http://www.scrabble.com> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*). The gateway page is necessary because Hasbro, Inc., owns the United States rights to the board game, and Mattel, Inc., owns the international rights. The two companies are not otherwise affiliated. *Id.*

29. Spirit.com is one such example. The first party to register the site now maintains links to Spirit Airlines' website, as well as to other sites using the word "spirit." Spirit.com, at <http://www.spirit.com> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

30. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 781-82 (1992) (articulating the key goals of trademark law generally and in the United States); TRIPS, *supra* note 18, art. 16. (reflecting these general principles by delineating the exclusive right of a trademark owner to prevent third party use that results in likelihood of confusion).

2. *Domain Name Speculation*—“Pure” Speculation Versus Cybersquatting. A more common source of domain name disputes is the practice of speculating in domain names by stockpiling registrations in anticipation of locating buyers willing to pay costs greatly in excess of the registration costs incurred. Because desirable domain names are scarce resources, speculation can be a very profitable enterprise. For example, business.com changed hands for a record price of 7.5 million dollars.³¹ There is nothing inherently illegal about speculating in domain names for the purpose of selling them to other parties, so long as the registrant’s action is *purely* speculative. That is, the registration and use of the domain name must not have the effect of creating a likelihood of confusion with another party’s existing trademark.

When the domain name in question contains another’s trademark, however, speculation collides with the goals of the trademark system by allowing the registrant “to profit from the goodwill associated with such marks.”³² This situation, in which one party purposely registers another party’s trademark as a domain name with the intention of forcing the trademark holder to pay a ransom to obtain the name, is commonly termed “cybersquatting”³³ and is illegal in the United States³⁴ and many other nations.³⁵ Cybersquatting is formally a type of speculation in domain names, but it is legally distinguishable from what I term “pure” speculation³⁶ in this Note, because it targets

31. Vern Krishna, *Tax Views: Market for Domain Names Is Getting Hotter*, LAW. WKLY., Feb. 4, 2001.

32. S. REP. NO. 106-140, at 4 (1999).

33. Cybersquatting has been a major issue in the United States since the birth of the Internet in its modern form. *See supra* note 15 and accompanying text (describing an early incident of cybersquatting). Of all cybersquatters, Dennis Toepfen is perhaps the most notorious. Toepfen registered over 200 domain names, including eddiebauer.com, deltaairlines.com, and nieman-marcus.com, with the express intention of selling them back to their respective trademark owners. *E.g.*, Carl Oppedahl, *Pursuing Domain Name Registrants May Backfire*, NAT’L L.J., Apr. 26, 1999, at B6. Toepfen was the defendant in several cases, including *Panavision International, L.P. v. Toepfen*, 945 F. Supp. 1296 (C.D. Cal. 1996), *aff’d*, 141 F.3d 1316 (9th Cir. 1998), in which the district court applied dilution law to thwart Toepfen’s cybersquatting, relying in part on the legislative history of the United States Dilution Act, which indicates intent to “‘help stem the use of deceptive Internet addresses . . . associated with the products and reputations of others.’” 945 F. Supp. at 1302 n.4 (quoting 141 CONG. REC. S19312 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy)).

34. 15 U.S.C. § 1125(d) (1994 & Supp. V 1999).

35. *See infra* Part I.B.2.

36. *See supra* note 31 and accompanying text.

words or phrases that already have become associated in the public mind with another party's goods or services.

B. Judicial Remedies in Domain Name Disputes

1. *The United States Anticybersquatting Consumer Protection Act (ACPA)*. Trademark holders were given specific statutory protection against cybersquatting in 1999 with the enactment of the United States Anticybersquatting Consumer Protection Act (ACPA).³⁷ The ACPA's main purpose is to protect consumers and businesses "by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks."³⁸ Although previous cybersquatting cases had been decided in the United States federal courts on dilution grounds,³⁹ the ACPA was deemed necessary because of perceived inadequacies in using dilution law to address the issue.⁴⁰ Specifically, Congress viewed the legal remedies available to victims of cybersquatting under dilution or traditional infringement law as "expensive and uncertain."⁴¹ The remedy section of the Lanham Act was correspondingly amended⁴² to provide trademark holders a strong weapon against cybersquatters, up to \$100,000 in statutory damages per domain name.⁴³

Although courts outside of the United States also have addressed the cybersquatting issue to some extent,⁴⁴ the ACPA is undoubtedly the most specific and widely applicable judicial remedy available. The ACPA's in rem provision provides that a trademark holder may proceed in rem against any domain name in the judicial district in which

37. Pub. L. No. 106-113, 113 Stat. 1502 (1999).

38. S. REP. NO. 106-140, at 4 (1999).

39. See, e.g., *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1324-27 (9th Cir. 1998) (applying dilution law against an alleged infringer).

40. H.R. REP. NO. 106-412, at 6 (1999).

41. *Id.*

42. PUB. L. NO. 106-113, 113 Stat. 1501, 1536 (codified as amended at 15 U.S.C. § 1117(d) (1994 & Supp. V 1999)).

43. *Id.* Courts have not hesitated to grant this remedy against particularly egregious cybersquatters. See, e.g., *Elecs. Boutique Holdings Corp. v. Zuccarini*, No. CIV.A.00-4055, 2000 WL 1622760, at *1-*7 (E.D. Pa. Oct. 30, 2000) (assessing \$500,000 in statutory damages against notorious cybersquatter John Zuccarini for registering misspellings of plaintiff's domain names and profiting by ensnaring users in a "mousetrap" of advertising windows).

44. See *infra* Part I.B.2.

the domain name registry is located.⁴⁵ Because in rem jurisdiction is conferred over the domain name itself rather than over an individual, it applies regardless of whether the participants are residents of other countries or even whether they have minimum contacts with the forum.

The in rem remedy does not allow a trademark holder to recover ACPA statutory damages, nor does it apply in non-ACPA trademark actions for infringement or dilution, for which personal jurisdiction requirements must be met.⁴⁶ However, it does give the United States federal courts the authority to order transfer of the domain name at issue.⁴⁷ For example, in *Caesars World, Inc. v. Caesars-Palace.com*,⁴⁸ the United States District Court for the Eastern District of Virginia confirmed that ACPA claims regarding domain names registered with Network Solutions, Inc., (NSI) are subject to its in rem jurisdiction because NSI is located within that judicial district.⁴⁹ The overall implication of this holding is that, since the majority of existing .com, .gov, and .net domain names were registered with NSI, most cybersquatting claims requesting transfer of the domain name at issue can now be brought in the United States, regardless of the citizenship or location of the defendant.

Today, a savvy cybersquatter could evade this provision by registering with an ICANN-approved registrar in, for example, Kuwait or

45. 15 U.S.C. § 1125(d)(2)(A) (1994 & Supp. V 1999). The Act provides that [t]he owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located if—

- (i) the domain name violates any right of the owner of a mark registered in the Patent and Trademark Office, or protected under subsection (a) or (c) of this section; and
- (ii) the court finds that the owner—
 - (I) is not able to obtain in personam jurisdiction over a person who would have been a defendant in a civil action under paragraph (1); or
 - (II) through due diligence was not able to find a person who would have been a defendant in a civil action under paragraph (1)

Id.

46. See, e.g., *America Online, Inc. v. Huang*, 106 F. Supp. 2d 848, 856 (E.D. Va. 2000) (“[D]omain name registration agreements with NSI from which plaintiffs’ ACPA claim arises are not sufficient contacts with Virginia for purposes of personal jurisdiction . . .”).

47. 15 U.S.C. § 1125(d)(1)(C).

48. 112 F. Supp. 2d 502 (E.D. Va. 2000).

49. *Id.* at 504; see also *FleetBoston Fin. Corp. v. Fleetbostonfinancial.com*, 138 F. Supp. 2d 121, 135 (D. Mass. 2001) (holding that an in rem action against a domain name registered by a Brazilian with no ties to the United States must proceed in the district in which the name was registered).

Singapore.⁵⁰ Nonetheless, many cybersquatting cases likely will continue to be subject to the jurisdiction of United States courts because a large segment of international registrations are attained through NSI and other United States–based registrars. Moreover, insofar as United States companies continue to dominate the registration market, other nations’ courts may find that their rulings are unenforceable.⁵¹

2. *Judicial Cybersquatting Remedies Outside of the United States.* Although the United States ACPA is the most comprehensive and specific anticybersquatting law, other countries also have fashioned local law to address the issue, although the absence of specific anticybersquatting legislation generally means that such courts must attempt to apply traditional infringement remedies. For example, in *Marks & Spencer PLC v. One in a Million Ltd.*,⁵² the British High Court of Justice enjoined cybersquatters who had registered a variety of trademarks as domain names, including *burgerking.co.uk.*, *britishtelecom.co.uk.*, and *spicegirls.net.*⁵³ The injunctions were based on the threat of “passing off” and a determination that defendant’s activities were inherently likely to confuse.⁵⁴

German courts also have fashioned means to address improper use of trademarks in domain names. For example, a German court enjoined several uses of “concertconcept” in domain names registered by a Kansas City domain name brokerage firm, finding that the firm’s purposeful registration of the German company’s trademark violated that company’s trademark rights.⁵⁵ In that case, the defen-

50. For a list of all ICANN-accredited registrars, see *List of Accredited Qualified Registrars*, ICANN, at <http://www.icann.org/registrars/accredited-list.html> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

51. Technically, a national court has very little power to compel transfer of any domain name neither containing the nation’s own country code TLD nor registered by a company incorporated under its laws. For example, NSI agreed to comply with a British court’s order in *Prince PLC v. Prince Sports Group Inc.*, [1998] F.S.R. 21 (Ch. 1997), but this decision was voluntary, and there is not much that the British court could have done had NSI refused to cooperate. See Christopher P. Rains, *A Domain By Any Other Name: Forging International Solutions for the Governance of Internet Domain Names*, 14 EMORY INT’L L. REV. 355, 371–72 (2000) (suggesting that NSI’s bending of its rule was the only reason that relief was available).

52. [1998] F.S.R. 265 (Ch. 1997).

53. *Id.* at 268.

54. *Id.* at 270–74.

55. See Sally M. Abel, *Trademark Issues in Cyberspace: The Brave New Frontier*, 5 MICH. TELECOMM. TECH. L. REV. 91, 120 (1998/1999) (citing Landgericht Berlin, November 20, 1996, 5 U 659/97 O 193/96).

dants and their host computer were located in the United States and had registered the domain name at issue there, but the court nonetheless exercised jurisdiction based on the fact that the website was viewable within its district.⁵⁶ Other German courts have reached similar conclusions when faced with traditional cybersquatting facts.⁵⁷

Courts also have applied existing trademark law to cybersquatting issues in Japan,⁵⁸ which is now in the process of drafting more comprehensive policy guidelines for domain name disputes.⁵⁹ Similarly, Korean courts have addressed several cybersquatting cases,⁶⁰ but a lack of clear legal standards has led observers to comment that a more comprehensive and specific approach is necessary.⁶¹ Currently, Korean courts are considering incorporating the general rules embodied in the United States ACPA into Korean common law.⁶²

3. *Limitations of Judicial Remedies.* Although the United States ACPA and other national law means have been applied successfully to prevent cybersquatting, such remedies have serious limitations. First, remedies vary between nations,⁶³ an issue that raises the intertwined problems of forum shopping and inequitable application of the laws. Second, existing judicial remedies involve traditional litigation, a dispute resolution mechanism that can be very expensive and burdensome for all parties involved, thus discouraging some legitimate claims from being filed. As the World Intellectual Property Organization (WIPO) noted in 1999, a pure litigation system can make it more cost effective for trademark holders to submit to a cybersquatter's demands than to navigate the legal system.⁶⁴ Moreover, the

56. *Id.*

57. *Id.* at 119–20 (listing cases); Michael V. LiRocchi et al., *Trademarks and Internet Domain Names in the Digital Millennium*, 4 UCLA J. INT'L L. & FOREIGN AFF. 377, 420 (1999) (citing Landgericht Dusseldorf, Apr. 4, 1007, 34 O 191/96).

58. *See Editorial: Clearer Domain Name Rules Needed*, DAILY YOMIURI (Tokyo), Dec. 8, 2000, at 6 (arguing that legislation should be enacted to prevent ex post facto regulation from crippling the development of a net-oriented society).

59. *See Japan Plans Global Rules for Domain Name Disputes*, ASIA PULSE (Tokyo), Mar. 29, 2001 (announcing plans for regulation and discussing policy reasons for the regulations).

60. Justin Lee, *Of Domain Names and Internet Trademarks: Many Organizations Have Discovered Domain Name Violations Can Be a Lucrative Business*, KOREA HERALD, Oct. 4, 2000.

61. *Id.*

62. *Id.*

63. For a discussion of representative national law approaches, see *supra* Part I.B.1–2.

64. *See WIPO Internet Domain Name Process*, *supra* note 2, para. 132(i) (noting that the global nature of the Internet raises a variety of complications for aggrieved trademark owners).

Internet is a fully international medium that produces domain name disputes with a global dimension.⁶⁵ As such, an internationally consistent set of rules is necessary to efficiently and impartially meet the needs of all Internet users.

C. *The Arbitration Remedy: The UDRP*

In response to concerns about judicial remedies and the conflict between territorial trademark systems and the “global dimension” of domain name disputes, in June 1998 the World Intellectual Property Organization (WIPO) accepted a United States proposal that it develop recommendations for a consistent international approach.⁶⁶ Within a year, WIPO published a report concluding that ICANN should create a uniform administrative procedure for the resolution of disputes concerning generic top-level domain (gTLD) registrations.⁶⁷ ICANN implemented most of WIPO's recommendations in its Uniform Domain Name Dispute Resolution Policy (UDRP).⁶⁸

The UDRP represents a substantial departure from traditional international trademark law. International trademark issues customarily have been addressed through complex and time-consuming negotiations that result in multinational treaties.⁶⁹ However, these traditional mechanisms are ill suited to the fast-moving, dynamic world of the Internet.⁷⁰ The legal community's response to this unique situation has been mixed. Some suggest that a radically new system of control must emerge in the form of an Internet common

65. *Id.*

66. *Id.*, at Background.

67. *Id.* para. xii. ICANN-controlled gTLDs include .com, .net, and .org.

68. *Second WIPO Internet Domain Name Process*, World Intellectual Property Organization, at <http://wipo2.wipo.int/process2> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

69. *See, e.g.*, TRIPS, *supra* note 18 (providing international minimum standards for trademark protection); Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted June 27, 1989, WIPO Pub. No. 204(E) (international standards for registration).

70. Marcelo Halpern & Ajay K. Mehrotra, *From International Treaties to Internet Norms: The Evolution of International Trademark Disputes in the Internet Age*, 21 U. PA. J. INT'L ECON. L. 523, 523 (2000) (characterizing the old treaty process as “economically obsolete”); David R. Johnson & David Post, *Laws and Borders—The Rise of Law in Cyberspace*, 48 STAN. L. REV. 1367, 1367 (1996) (suggesting that the Internet necessitates a radical shift in legal analysis). As former White House Internet Advisor Ira Magaziner noted in 1998, traditional government is simply “too slow to keep up with the digital environment.” Chip Bayers, *Mission Impossible*, WIRE, Dec. 2000, at 32.

law,⁷¹ while others maintain the diametrically opposite view that traditional legal principles can and should be the exclusive means of protecting and monitoring the Internet.⁷²

In this complex and sometimes contradictory setting, the UDRP has emerged as a hybrid system, applying what is essentially established national trademark law, but administering it through an organization whose directors are selected partially through Internet common law principles.⁷³ The UDRP, which went into effect on October 24, 1999, is a set of contractual provisions that are incorporated by reference into registration agreements between domain name registrants and ICANN-approved registrars.⁷⁴ It requires domain name registrants to submit to mandatory arbitration if in the future a third party asserts that the domain name is “identical or confusingly similar to a trademark or service mark in which the complainant has rights,” that the registrant has no “rights or legitimate interest” in the domain name, and that the registrant has acted in bad faith.⁷⁵ If a complainant files a complaint with an approved dispute resolution provider asserting that a domain name meets these requirements, the registrant must submit to a mandatory arbitration proceeding that will determine whether the domain name will be transferred to the complainant.⁷⁶

There are now four ICANN-approved dispute resolution providers.⁷⁷ Of these, WIPO was the first and is the best known. WIPO conducted the first UDRP arbitration, *World Wrestling Federation Entertainment, Inc. v. Michael Bosman*, ordering transfer of *worldwrestlingfederation.com* to the World Wrestling Federation.⁷⁸

71. Johnson & Post, *supra* note 70, at 1379 (maintaining that “treating cyberspace as a separate space to which distinct laws apply should come naturally”).

72. See Frank H. Easterbrook, *Cyberspace and the Law of the Horse*, 1996 U. CHI. LEGAL F. 207, 208 (1996) (concluding that it is best to develop a sound law of intellectual property and then apply it to computer networks). This view necessarily assumes that traditional international and local law principles can be applied quickly enough to have a timely impact on the rapidly changing world of the Internet.

73. See *supra* note 8 (detailing the selection process for ICANN’s board of directors).

74. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7.

75. *Id.*

76. *Id.*

77. The approved providers are the CPR Institute for Dispute Resolution, eResolution, The National Arbitration Forum, and the World Intellectual Property Organization. *Approved Providers for Uniform Domain Name Dispute Resolution Policy*, ICANN, at <http://www.icann.org/udrp/approved-providers.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

78. *World Wrestling Fed’n Entm’t, Inc. v. Bosman*, No. D99-0001 (WIPO Jan. 14, 2000),

World Wrestling Federation involved a registrant who fit the classic cybersquatter profile: an individual who registers domain names containing well-known trademarks for the express purpose of exacting money from the trademark owner.⁷⁹ The WIPO panel noted its independent decisionmaking authority under the UDRP rules, but also referenced United States law as articulated in *Panavision International, L.P. v. Toepfen*⁸⁰ in support of its decision to transfer the domain name to the complainant.

Although ICANN plays a quasi-governmental role in the administration of the Internet, enforcement of the UDRP is based entirely on private contract.⁸¹ The UDRP does not eliminate the availability of court proceedings for domain name disputes.⁸² Despite the availability of the judicial remedy, however, “only a miniscule handful” of decisions under the UDRP have been appealed through the court system.⁸³ While both WIPO and national courts have concurred that national law is not altered or displaced by UDRP rules or arbitration outcomes,⁸⁴ it is still unclear how much deference, if any, courts owe

available at <http://arbiter.wipo.int/domains/decisions/html/d99-0001.html> (on file with the *Duke Law Journal*).

79. Here, the defendant actually admitted that his “primary purpose” in registering the name was to exact payment from the World Wrestling Federation. *Id.* § 4.

80. 141 F.3d 1316 (9th Cir. 1998). Generally, however, panels do not rely on national law and, indeed, some recent decisions have rebuked parties for relying on national law in their filings. See, e.g., *AT&T Corp. v. Rice*, No. D2000-1276 (WIPO Nov. 25, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1276.html> (on file with the *Duke Law Journal*):

In light of some of the arguments deployed by the Respondent which appear to have had more to do with the US Anti-Cybersquatting legislation than with the Policy, the Panel reminds the Respondent that for the purposes of the Policy the relevant rights of the Complainant do not have to be registered rights and do not have to be international.

81. *Parisi v. Netlearning, Inc.*, 139 F. Supp. 2d 745, 747 (E.D. Va. 2001) (“Although ICANN exerts quasi-governmental sway over the growth and administration of the Internet, the UDRP is enforced through contract rather than regulation.”).

82. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7, § 4k (expressly providing that “[t]he mandatory administrative proceeding requirements . . . shall not prevent [either party] from submitting the dispute to a court of competent jurisdiction”).

83. David G. Post, *Juries and the New Common Law of Cyberspace*, PLUGGING IN, Sept. 2000, available at <http://www.temple.edu/lawschool/dpost/Juries.html> (on file with the *Duke Law Journal*).

84. *Weber-Stephens Prods. Co. v. Armitage Hardware & Bldg. Supply, Inc.*, No. 00 C 1738, 2000 WL 562470, at *1–*2 (N.D. Ill. May 3, 2000) (noting that UDRP arbitration decisions are not binding precedent but failing to articulate the amount of deference courts owe such decisions); *WIPO Internet Domain Name Process*, *supra* note 2, para. 139 (stating that neither ICANN nor WIPO rules on cybersquatting displace national law and leaving the issue of trademark validity to the national courts). There is also a split of authority between arbitration panels

arbitration outcomes. What is clear is that, although the UDRP was not intended to be a substitute for traditional infringement or cybersquatting litigation,⁸⁵ in many ways it has become such.⁸⁶ Furthermore, the UDRP has become the leading forum for domain name dispute resolution, with over 7500 proceedings initiated since December 1999.⁸⁷

II. FLAWS AND LIMITATIONS IN THE UDRP

Although the UDRP has been largely successful, the policy is not without flaws. Arbitrators' ability to exercise virtually unchecked decisionmaking power has led to a lack of consistency on several key issues of domain name use.⁸⁸ This inconsistency, in turn, has led some observers to conclude that many arbitrators are biased toward trademark owners and corporate interests.⁸⁹ Finally, the UDRP has not accomplished ICANN's goal of creating uniform international standards, partly because it does not extend to disputes over all domain names.⁹⁰ This shortcoming is inherently linked to the issues of consistency and fairness in individual cases, because even if ICANN can address these concerns successfully, it nonetheless is unable to implement the resulting uniform principles in a fully comprehensive international manner. In sum, the current flaws in the UDRP have left the international Internet community with a piecemeal approach to dispute resolution and a corresponding unfulfilled need for a comprehensive and consistent solution.

as to whether previous arbitrations have preclusive effect as to issues and claims. *See, e.g.*, High Speed Prods., Inc. v. Thrasher Magazine, Ltd., FA103000097008 (Nat'l Arb. Forum June 20, 2001) (on file with the *Duke Law Journal*) (concluding that previous arbitrations have no preclusive effect, but noting the existence of other decisions to the contrary).

85. For example, the ICANN guidelines for the dispute resolution policy set out rules of decision and instruct arbitrators to apply the principles to the facts of each case, creating a decision that is binding on the participants, subject to the possibility of a court appeal. *See supra* notes 75–76 and 82 and accompanying text (describing these aspects of the UDRP); *see also* Post, *supra* note 83 (“If it walks like a duck and quacks like a duck, it’s a duck [even if it has a sign around its neck that says ‘I’m a dog.’]. The UDRP walks and quacks like law.”).

86. *Weber-Stephens*, 2000 WL 562470, at *2; *WIPO Internet Domain Name Process*, *supra* note 2, para. 150(v); Brenda Sandburg, *Domain Dilemma: Some Worry Mediators May Go Too Far When Settling Domain Name Fights*, RECORDER, Oct. 12, 2000, at 1.

87. *Statistical Summary*, *supra* note 11. By comparison, there have been few traditional court proceedings. A search of LEXIS, ALLFEDS Library, for records containing “Anticybersquatting Consumer Protection Act” yielded only seventy records.

88. *See infra* Part II.A.1.

89. *See infra* Part II.A.2.

90. *See infra* Part II.B.

A. *The Problem of Inconsistency*

Consistency is one of the primary virtues of an organized legal system.⁹¹ As the great United States Supreme Court Justice Benjamin Cardozo once noted, “law as a guide to conduct is reduced to the level of mere futility if it is unknown and unknowable.”⁹² In the absence of clear and consistent standards of conduct, individuals act in an economically inefficient manner because they rely on uncertain standards or, in the alternative, may fail to act at all in the absence of clear guidance. Like a government-administered legal system, the UDRP attempts to further consistency through its uniform system of dispute resolution. However, the policy has succeeded only partially at promoting consistent decisions, leaving gaps of incongruity on key issues of domain name registration and use.⁹³

Inconsistency in the UDRP is a problem not only for those whose conduct it governs, but also for ICANN, the organization that promulgated the UDRP. ICANN has been the target of a variety of legitimacy critiques since its inception,⁹⁴ and the lack of consistency in

91. See, e.g., *Moragne v. States Marine Lines, Inc.*, 398 U.S. 375, 403 (1970) (discussing “the desirability that the law furnish a clear guide for the conduct of individuals, to enable them to plan their affairs with assurance against untoward surprise”).

92. BENJAMIN N. CARDOZO, *THE GROWTH OF THE LAW* 3 (1924).

93. See *infra* Part II.A.1.

94. Of the various structural critiques of ICANN, most relate in some manner to accountability. This concern is clearly a relevant one, as ICANN has an immense amount of power over critical Internet resources. In the words of David Post, founder of the public interest group ICANNWatch:

The DNS is the very heart of the Internet, the Archimedean point on which this vast network balances. ICANN has an immense amount of power over who gets in and who gets out. It is a kind of electronic life or death. If you have the power to make someone disappear, you can get them to act in ways that they might not otherwise act.

Bayers, *supra* note 70, at 32.

In addition, one of the most respected and reasoned critics, Professor Michael Froomkin, suggests that ICANN may violate United States law. A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 *DUKE L.J.* 17, 20 (2000). Professor Froomkin claims that ICANN is either too independent of the United States government or too dependent and that, as such, it violates either the Administrative Procedure Act (APA) or the private nondelegation doctrine. *Id.* To summarize his complex argument, if the United States government is “laundering its policymaking through ICANN,” the APA is violated. *Id.* However, if ICANN is, rather, independent of the United States government, it violates the private nondelegation doctrine, which prohibits private organizations from making law or public regulations. *Id.* Note, however, that the United States Supreme Court’s holding in *Whitman v. American Trucking Associations, Inc.*, 531 U.S. 437 (2001), may have weakened Froomkin’s argument to some extent. A unanimous Court, while declining to overrule the nondelegation doctrine, expressed a very narrow view of its significance and application. *Id.* at 462–87; see also Charles Lane, *Clean Air Authority of EPA is Upheld; Law Bars Cost Consideration*,

the application of the UDRP supports these critiques by putting its integrity into question. To preserve its role in the governance of the Internet, ICANN will need to formulate future policies mindful of these attacks on its legitimacy. ICANN therefore should address the problem of inconsistent decisions under UDRP—arguably ICANN’s best-known policy—not only to improve the dispute resolution system, but also to enhance its own integrity.

1. *Inconsistent Panel Decisions.* One example of an issue on which UDRP arbitration panels have rendered inconsistent decisions is domain name speculation. The UDRP specifically limits its scope to “bad faith” registration and use,⁹⁵ thus appearing to provide a remedy for essentially the same conduct covered by the ACPA, namely traditional cybersquatting. As discussed above, pure speculation is distinguishable from cybersquatting in that it includes situations where no specific trademark owner is targeted.⁹⁶ The registrant of *business.com*, discussed earlier,⁹⁷ is an example of a pure speculator.

Although arbitrators have not explicitly drawn this cybersquatting/pure speculation distinction, they appear to have drawn it implicitly, by holding that pure speculation is not in bad faith, as long as the registrant has no actual or constructive knowledge that the registered term is also a trademark.⁹⁸ For example, in *General Machine Products Co. v. Prime Domains*, a unanimous arbitration panel con-

WASH. POST, Feb. 28, 2001, at A1 (noting that only Justice Clarence Thomas “expressed sympathy for reviving the nondelegation doctrine”). While this holding does not undermine the basic principles of Froomkin’s argument, it indicates the extreme unlikelihood of a nondelegation doctrine challenge to ICANN’s authority actually succeeding.

A somewhat related concern is whether the level of involvement of the United States government is appropriate for a fully international organization. In broader terms, ICANN has been accused of unconstitutionally blurring the line between public and private. James Boyle, *A Nondelegation Doctrine for the Digital Age?*, 50 DUKE L.J. 5, 14 (2000). These and related concerns are magnified in the dispute resolution setting, as the UDRP is the most susceptible of all ICANN’s functions to being perceived as law.

95. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7, § 4a(iii).

96. *See supra* note 36 and accompanying text.

97. *See supra* note 31 and accompanying text.

98. *See, e.g.*, *Gen. Mach. Prods. Co. v. Prime Domains*, FA0001000092531 (Nat’l Arb. Forum Jan. 26, 2000) (on file with the *Duke Law Journal*) (refusing to transfer the “non-source identifying” domain name *craftwork.com* to the complainant, even though the complainant owned the trademark name “craftwork” and the respondent was in the business of registering generic domain names and selling them to interested parties); *cf.* *Traditions Ltd. v. noname.com*, FA0004000094388 (Nat’l Arb. Forum May 8, 2000) (ordering the transfer of *traditions.com* on otherwise very similar facts to *General Machines*, where the registrant had registered other generic words that were also distinctive trademarks of third parties).

cluded that registration of craftworks.com did not violate the UDRP even though the registrant was in the business of registering generic domains for sale.⁹⁹ The panel based its decision in part on the fact that Prime Domains had never registered any other distinctive common law or registered trademarks, and did not solicit General Machines to purchase the name.¹⁰⁰

However, not every UDRP panel has taken the same stance on pure speculation. One illustrative case is *eResolution v. eResolution.com*.¹⁰¹ In *eResolution*, the panel transferred the domain name in question to the complainant even though the domain name was registered before the complainant commenced business under the name “eResolution” or filed an intent-to-use application for trademark registration.¹⁰² In other words, not only was the registrant unaware that the domain name contained another’s trademark, but notice, constructive or otherwise, would have been impossible because no trademark existed at the time of registration. This decision is in direct conflict with the *General Machines* outcome and seems to be an improper application of the UDRP. It is a stretch, to say the least, to impute constructive knowledge of a trademark to a registrant to find bad faith where the mark did not exist at the time of registration.

Two recent arbitration decisions concerning domain names ending in the word “sucks” provide another example of inconsistency. Although the UDRP does not use the term “fair use,” Section 4, Part c, dealing with rights and legitimate interests of registrants, appears to have been influenced by the fair use defense¹⁰³ as applied in the

99. *Gen. Mach. Prods.*, FA0001000092531.

100. *See id.* (holding that Prime Domains did not act in bad faith because there was no evidence that it knew of General Machines’ trademark rights when it registered craftwork.com). The National Arbitration Forum, the arbitrator in *General Machines*, also has refused to transfer several other generic domain names. *See, e.g.*, *Kompan Inc., v. TheBigstore.Com*, FA0003000094322 (Nat’l Arb. Forum Apr. 18, 2000) (on file with the *Duke Law Journal*) (refusing to transfer bigtoys.org); *Dog.com, Inc. v. Pets.com, Inc.*, FA0093681 (Nat’l Arb. Forum Mar. 31, 2000) (on file with the *Duke Law Journal*) (refusing to transfer dogs.com).

101. No. D2000-0110 (WIPO Apr. 10, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0110.html> (on file with the *Duke Law Journal*). The *eResolution* complainant, interestingly, was one of ICANN’s four approved dispute resolution providers. *Id.*

102. *See id.* (concluding that the respondent registered the domain name in bad faith because complainant was using the mark “eresolution” frequently on a worldwide basis).

103. The fair use doctrine limits the scope of protection given to trademarks by balancing society’s interest in using words and images in their descriptive sense with a trademark holder’s right to exclusivity. TRIPS provides that its members *may* provide limited fair use exceptions, where such exceptions take account of the legitimate interests of the trademark owner. TRIPS, *supra* note 18, art. 17. This principle also is reflected in the United States trademark statutes,

United States and countries with similar intellectual property laws. The fair use defense recognizes that the property interest in a trademark is not absolute. Rather, a trademark holder has a property right “only insofar as is necessary to prevent consumer confusion as to who produced the goods and to facilitate differentiation between . . . goods.”¹⁰⁴ These principles are, of course, relevant in the domain name context. In apparent recognition of them, the UDRP provides that “legitimate noncommercial or fair use of the domain name, without intent for commercial gain,” will demonstrate a legitimate interest in the domain name that will thwart the complainant’s attempt to force transfer of the name.¹⁰⁵ This language would seem to recognize parody, criticism, and other typical fair use defenses. Interpretation of this section of the UDRP, however, has been less than clear to some arbitrators and has been a source of inconsistent decisions.

Two recent panel decisions relating to variants of the registered trademark “Wal-Mart” are illustrative. In the first decision, *Wal-Mart Stores v. Walsucks*,¹⁰⁶ a WIPO panel transferred several domain names, including wal-martcanadasucks.com and walmartpuertoricosucks.com, to the complainant.¹⁰⁷ The decision was based on the panel’s conclusion that the registrations were confusingly similar to the “Wal-Mart” mark and were registered with the bad faith intent of eliciting a ransom from the trademark owner.¹⁰⁸ The panel left open the possibility that other uses of “sucks,” coupled with a trademark, could be allowed as “legitimate freedom of expression sites established by parties critical of trademark holders.”¹⁰⁹ Nonetheless, the decision is puzzling in that it found confusing similarity, despite the

which provide the following defense:

That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

15 U.S.C. § 1115(b)(4) (1994 & Supp. V 1999).

The related doctrine of free speech also gives strong protection for parody and other transformative use in the United States. See U.S. CONST. amend. I (“Congress shall make no law . . . abridging the freedom of speech . . .”).

104. Int’l Order of Job’s Daughters v. Lindeburg & Co., 633 F.2d 912, 919 (9th Cir. 1980).

105. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7, § 4c.

106. No. D2000-0477 (WIPO July 20, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html> (on file with the *Duke Law Journal*).

107. *Id.* at 1.

108. *Id.* at 19.

109. *Id.* at 20.

extreme unlikelihood that a reasonable consumer would conclude that Wal-Mart is directly affiliated with a website disparaging Wal-Mart.

In a subsequent Wal-Mart case, *Wal-Mart Stores v. walmartcanadasucks*,¹¹⁰ a second WIPO panel explicitly disagreed with the previous decision, stating that it could “not see how a domain name including ‘sucks’ can ever be confusingly similar to a trademark.”¹¹¹ Although this finding alone would have been grounds for denial of transfer, the panel went on to suggest that a “sucks” domain name may qualify as a legitimate vehicle of free expression under the First Amendment to the United States Constitution, and thus fail to qualify as a bad faith use even where, as here, there was very little actual critical content posted on the site.¹¹² Although, with respect to confusion, this decision seems more properly grounded in the UDRP than the previous Wal-Mart decision, it too is troubling in its explicit reliance on the First Amendment because neither the arbitrators nor the registrant (here, a Canadian) is either constrained or protected by the United States Constitution.

The opposing Wal-Mart decisions, as well as the *General Machines* and *eResolution* decisions, illustrate that confusion over critical issues of domain name use has led to inconsistent application of the UDRP. Such inconsistency is a serious problem, as it impedes individual decisionmaking and undermines the integrity of both ICANN and the UDRP. As such, resolving the problem of conflicting decisions should be a top priority for ICANN.

2. *The Sources of Inconsistency.* The UDRP itself is to blame for much of the inconsistency problem. The policy lends itself to confusion and misapplication because it lacks specificity, a flaw magnified by the fact that precedent plays little role in UDRP decisionmaking. Moreover, the lack of specificity in the policy may facilitate biased decisionmaking (or the appearance thereof).

The UDRP provides that, to prevail in an arbitration, a complainant must assert and prove that the domain name is confusingly similar to a mark in which the complainant has rights, that the regis-

110. *Wal-Mart Stores, Inc. v. walmartcanadasucks.com*, No. D2000-1104 (WIPO Nov. 23, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1104.html> (on file with the *Duke Law Journal*).

111. *Id.* at 11.

112. *Id.* at 12.

trant has no rights or legitimate interest therein, and that the registration and use of the domain name have been conducted in bad faith.¹¹³ The policy also lists factors that demonstrate bad faith, as well as defenses by which a registrant can show that it has a legitimate interest in a domain name.¹¹⁴ However, these lists are brief and, by their terms, nonexclusive,¹¹⁵ and thus provide inadequate guidance for arbitrators faced with issues not specifically addressed, such as speculation in domain names and fair-use type situations. Moreover, the rules by which arbitrations are conducted encourage broad discretion from panel to panel. The policy provides that “[t]he Panel shall conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy,” and allows individual arbitrators to exercise their own judgment as to the admissibility of evidence submitted.¹¹⁶

In addition, because the UDRP is not officially affiliated with the law of any particular country and arbitrators are not bound by previous decisions, precedent does not serve the harmonizing function it serves in judicially based legal systems. Although the policy does not explicitly prohibit citation to national law, most cases are decided exclusively by reference to the UDRP rules. Similarly, panels generally do not consider international treaty standards in UDRP proceedings. Because international treaty standards and national laws exert only an abstract influence, and the UDRP itself articulates very general standards, arbitrators essentially exercise unfettered discretion in each case. There are very few safeguards against egregious misuse of this discretion or against incongruous decisions. This circumstance, coupled with a lack of specificity in the policy itself, is largely to blame for the contradictory outcomes described above.

Some commentators have voiced the concern that arbitrators are openly biased toward corporate interests and trademark holders, and

113. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7, § 4a.

114. *Id.* §§ 4b–4c.

115. *See id.* § 4b (declaring that evidence of bad faith can include intent to sell the domain name, to prevent the trademark owner from using the name, to disrupt a competitor’s business, or to attempt to attract users for commercial gain by causing confusion). Defenses include showing use in connection with a bona fide offering of goods or services, demonstrating that the registrant is commonly known by the name in question, or by having a legitimate noncommercial or fair use for the name, without intent to mislead consumers or tarnish the mark. *See id.* § 4c.

116. *Rules for Uniform Domain Name Dispute Resolution Policy*, ICANN, Rule 10(a), at <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (last visited Nov. 1, 2001) (on file with the *Duke Law Journal*).

that the UDRP, therefore, “give[s] trademark holders broader rights in cyberspace than they have in the real world.”¹¹⁷ This concern, if substantiated, would highlight a flaw in the current system and provide a further explanation for the contradictory decisions discussed in the preceding section.¹¹⁸ Certainly a number of decisions, including *eResolution*¹¹⁹ and *Walsucks*,¹²⁰ seem to stretch the policy in favor of corporate trademark holders.

Indeed, the statistics appear on first glance to support the conclusion that many arbitrators are biased toward corporate trademark holders. Approximately eighty percent of UDRP decisions favor trademark holders, a success rate that trademark owners do not enjoy in court proceedings.¹²¹ However, UDRP supporters counter such statistics by suggesting that it makes sense that trademark holders will prevail in most cases, “as only companies that are fairly sure that domain holders are acting in bad faith take their cases to arbitrators.”¹²² Such an easy dismissal of these statistics, however, ignores the high costs of court litigation, which make it perhaps even less likely that trademark holders will take shaky cases to court where they are not “fairly sure” that strong evidence of a trademark violation exists. Nonetheless, these statistics do not necessarily show that UDRP proceedings are biased in favor of trademark holders, because a majority of registrants default by failing to participate in arbitration,¹²³ thereby creating skewed outcome statistics.¹²⁴

117. Sandburg, *supra* note 86, at 1 (quoting Jamie Love, the director of Consumer Project on Technology, a consumer advocacy group); see also *EFF Comments on WIPO's DNS Intellectual Property Proposal*, Electronic Frontier Foundation, at http://www.eff.org/GII_NII/DNS_control/19981106_eff_wipo_dns_comments.html (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*) (warning that the UDRP process will result in “big companies beating up on small companies [and individuals] using the same or similar names”).

118. See *supra* Part II.A.1.

119. See *supra* notes 101–02 and accompanying text.

120. See *supra* notes 106–09 and accompanying text.

121. Xenia P. Kobylarz, *Level Best*, CYBER ESO., Fall 2000, at 25 (citing comments of attorney Mark Radcliffe).

122. Laurie J. Flynn, *Whose Name Is It Anyway? Arbitration Panels Favoring Trademark Holders in Disputes over Web Names*, N.Y. TIMES, Sept. 4, 2000, at C3 (discussing statements made by Francis Gurry, assistant director general of WIPO).

123. Tamara Loomis, *Domain Names; Disputes Get Swift Resolution Under UDRP*, N.Y.L.J. July 27, 2000, at 5 (estimating that the default rate is upwards of fifty percent).

124. Flynn, *supra* note 122, at C3 (noting that “many domain name holders do not even bother to defend their positions”); see also *id.* (noting that this argument has been espoused by ICANN President Andrew McLaughlin).

It appears that reports of a bias toward “big business” and other trademark owners have been greatly exaggerated.¹²⁵ This misperception is likely due to a tendency of observers to take note only of which party prevails, rather than analyzing the particular circumstances of each case. Media giant America Online (AOL) is an example. AOL has submitted more than 100 complaints to the UDRP, including about thirty involving the AOL trademark ICQ.¹²⁶ AOL has won almost all of its arbitrations, a fact some would interpret as evidence of a bias in favor of trademark holders. However, closer examination reveals that most of the registrations at issue involved either a registrant who had attempted to sell the domain name to AOL for an amount greatly in excess of the registrant’s out-of-pocket costs or to attract users to the registrant’s website for commercial gain by association with AOL’s product.¹²⁷ Both circumstances fall directly within the “Evidence of Registration and Use in Bad Faith” provisions of the UDRP.¹²⁸ Both also involve purposes that conflict with trademark law’s primary goals of protecting product goodwill and preventing consumer confusion. Indeed, in the one case in which a registrant did not attempt to use the domain name for commercial gain, a UDRP-approved arbitrator did not hesitate to recognize that AOL’s complaint failed to state a violation.¹²⁹ AOL’s circumstances appear to be fairly typical.

In sum, accusations that arbitrators are biased have been, at a minimum, significantly exaggerated. Nonetheless, inconsistent decisions may create a perception of bias, and the UDRP’s lack of standards may permit biased decisionmaking in rare cases. A comprehensive approach to resolving the inconsistency problem would address these issues.

125. Other authors also have begun to note flaws in the bias criticism of the UDRP. *See, e.g.*, John G. White, *ICANN’s Uniform Domain Name Dispute Resolution Policy in Action*, 16 *BERKELEY TECH. L.J.* 229, 249 (2001) (“Much of the criticism of the UDRP as a biased ‘slam dunk’ mechanism for trademark holders appears unfounded.”).

126. Steven Bonisteel, *WIPO Sends Message to AOL in ICQ Domain Name Dispute*, *NEWSBYTES*, Feb. 27, 2001.

127. For example, the registrant of ICQGuide.com attempted to sell the name to AOL for \$99,000. *Id.* 4ICQ.com, NetICQ.com, and ICQ2Me.com all were using their names to promote competing services. *Id.*

128. *Uniform Domain Name Dispute Resolution Policy*, *supra* note 7, § 4b.

129. *See* Bonisteel, *supra* note 126 (explaining that AOL had failed to prove that the registrant of ICQPlus.org was not making a legitimate noncommercial or fair use of the domain name).

B. *The UDRP's Limited Applicability: ccTLDs and Alternative TLDs*

A second major obstacle to achieving the goal of a comprehensive and uniform international dispute resolution system is the UDRP's limited applicability. Specifically, the UDRP does not apply to disputes arising over two notable categories of domain names, country code registrations obtained through nations that have not adopted the UDRP and domain names registered with alternative providers such as New.net.

1. *Country Code Conflicts and Incongruities in the UDRP.* Internet addresses that end with a two-letter designation of a particular country, such as .us for the United States, are known as country code registrations. Within the "hierarchy of domains,"¹³⁰ such terms are known as country code top-level domains (ccTLDs).¹³¹ Unlike domain names containing so-called generic top-level domains (gTLDs) such as .com, .net, and .org, which can be registered only through an ICANN-accredited registrar,¹³² administration of each

130. White Paper, *supra* note 1, at 31,742.

131. TLDs are then divided in second level domains (SLDs), and so on. *Id.* For example, the domain name for the Duke University School of Law website is located at www.law.duke.edu, where .edu is the TLD, .duke is the SLD, and .law is the third level domain.

It is important to note that although TLDs are an important structural aspect of the DNS, they are not individually capable of serving as trademarks. *See* Image Online Design, Inc. v. CORE Ass'n, 120 F. Supp. 2d 870, 880 (C.D. Cal. 2000) ("As a gTLD, .web does not indicate the source of the services; instead, it indicates the type of services."). Under the international standards established by TRIPS, a trademark must either be inherently distinctive or acquire secondary meaning as a source identifier in order to qualify for registration. TRIPS, *supra* note 18, art. 15. Because a TLD indicates the type of service offered rather than its source, it is intrinsically incapable of meeting this requirement. As a reflection of this principle, the United States Patent and Trademark Office (PTO) refuses all registrations for marks "composed solely of a TLD for 'domain name registry services' . . . on the ground that the TLD would not be perceived as a mark." PATENT & TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, EXAMINATION GUIDE NO. 2-99, § II(D) (1999). Similarly, the PTO guidelines recognize that "[i]n a domain name mark . . . consumers look to the second level domain name for source identification, not to the TLD." *Id.* § II(C). Because, as the PTO notes, SLDs are perceived by consumers as the primary indication of source, they are the focus of the vast majority of domain name disputes, although third-level domains can affect trademark rights as well. For example, in the *J. Crew International v. crew.com* arbitration, one of the domain names at issue was j.crew.com, which in that case more closely imitated the mark at issue than a second-level domain alone could have. *See* No. D2000-0054 (WIPO Apr. 20, 2000), available at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0054.html> (on file with the *Duke Law Journal*) (ordering the registrant to transfer crew.com and the sub-account j.crew.com to J. Crew International).

132. *Registrar Accreditation: Overview*, ICANN, at <http://www.icann.org/registrars/>

ccTLD is controlled by the corresponding national government.¹³³ Although ICANN recognizes ccTLDs and ccTLDs operate within the ICANN framework, ccTLD registrars are not required to bind their registrants to the UDRP. As a consequence, ccTLD registrations have prevented the UDRP from uniformly addressing the needs of the international domain name system.

Country code registrations have become increasingly popular in recent years.¹³⁴ This trend likely has been influenced by several factors in the global marketplace, including the expanding popularity of the Internet around the world and the scarcity of desirable domains in the popular .com domain. The growth in country code domain registration also has been fueled by opportunistic cybersquatters. Although the incentive to cybersquat on domain names ending in .com or other ICANN-controlled TLDs has been reduced significantly by the UDRP and strict anticybersquatting law in the United States, these regimes do not deter country code domain name registrants, who usually are not required to submit to mandatory arbitration (except in cases of country code registration authorities that have adopted the UDRP voluntarily),¹³⁵ and who are not constrained by the United

accreditation-overview.htm (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*). The .com, .org, .net, .gov, .edu, .int, and .mil TLDs are the original ICANN-recognized TLDs. See *Generic Top-Level Domains*, IANA, at www.iana.org/gtld/gtld.htm (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*). Of these, .gov, .edu, .mil, and .int are reserved for specific governmental and educational purposes. *Id.* In addition, in November 2000, ICANN approved seven new TLDs, several of which will be open to the public and will be subject to the UDRP. *New TLD Program*, ICANN, at <http://www.icann.org/tlds> (last visited Sept. 30, 2001) (on file with the *Duke Law Journal*). These new TLDs are grouped by sponsored and unsponsored status. *Id.* The unsponsored TLDs, .biz, .info, .name, and .pro, will operate, like .com, .org, and .net, under policies established by the Internet community through ICANN. *Id.* The three sponsored TLDs, however, .aero, .coop, and .museum, are specialized and will be administered primarily by a sponsoring organization representing the community that is most affected by the TLD. *Id.*

133. *Country Code Top Level Domains*, IANA, at <http://www.iana.org/cctld/cctld.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

134. Frances Williams, *The Americas: UN Body Urges Action on Domains*, FIN. TIMES (London), Feb. 22, 2001, at 10. As of February 2001, there were twenty million such registrations, and this number was growing at a rate of 700,000 registrations per week. *Id.* The proportion of country code registrations has grown as well in recent years, from about a tenth of all global registrations in 1996 to almost a quarter by early 2001. *Id.*

135. For example, disputes concerning .tv (the country code TLD assigned to the island nation of Tuvalu) are subject to the UDRP. See *A Closer Look: Analysis of .TV Domain Cases*, Uniform Domain Name Dispute Resolution Policy Legal Information Site, at <http://www.udrplaw.net/closerlook3.htm> (last visited Oct. 3, 2001) (on file with the *Duke Law Journal*) (“Thirty-three UDRP cases have been decided for the .TV ccTLD.”). This ccTLD is a particularly significant country code, as its registration rights were sold by Tuvalu to the dotTV corpo-

States ACPA (except in rare cases where traditional personal jurisdictional requirements are met).

As such, trademark holders who believe that their rights have been violated by a country code registration generally must attempt to obtain a remedy under local law, which in many countries does not provide relief for cybersquatting. Similarly, even if a cybersquatting remedy exists under local law, there may be no formal mechanism to address disputes between multiple trademark holders, nor an internationally uniform approach to determining fair use in the Internet context. In addition, many aggrieved parties may forgo claims relating to ccTLD registrations, even where clear judicial remedies are available, because of the high cost of litigation.

Wide-scale implementation of the UDRP for ccTLD disputes would counteract cybersquatting. However, the situation is complicated by the fact that some country code domain organizations already have instituted their own version of a dispute resolution procedure. For example, Britain's Nominet registration service¹³⁶ is currently in the process of implementing a dispute resolution policy for names registered in the .uk domain.¹³⁷ According to Nominet, the process will differ somewhat from the ICANN-mandated process, which Nominet views as too restrictive of free speech and biased toward trademark holders.¹³⁸ It is unclear exactly how the process will differ from the UDRP. Other countries, such as Australia,¹³⁹ have considered similar policies. In sum, the current state of ccTLD remedies is anything but uniform.

2. *Non-approved TLDs: A Threat to Uniformity.* Registrations containing ICANN-approved TLDs, including ccTLDs, are the only domain names that are universally recognized by Internet Service Providers (ISPs). Several businesses have attempted to establish alternative TLDs, but these efforts historically have failed because they

ration, which has turned .tv into a popular alternative to .com, .net, and .org. *Id.*

136. Nominet has full control over registrations containing the .uk TLD, which now number more than 2.5 million. See Ross Hawkins, *Domain Name Trademark Row Set to Hot Up*, SUNDAY BUSINESS, Feb. 18, 2001, at 14 (discussing Nominet's criticism of the WIPO dispute resolution process).

137. *Id.*

138. *Id.*

139. See Georgia Curry, *National Campaign Begins in Australia to Evict Cybersquatters*, CANBERRA TIMES (Austl.), Mar. 4, 2001, at A17 (describing the proposals that Australian officials are considering to prevent "predatory" domain name registrations).

suffer from a “chicken and egg problem.”¹⁴⁰ To get ISPs to recognize them, they need to acquire a large number of users; to acquire users, they need ISP recognition.¹⁴¹ However, one new registration service appears positioned to challenge these traditional barriers to entry. New.net set up business on March 5, 2001, releasing twenty-nine new TLDs¹⁴² to the general public.¹⁴³ Although it is too early to predict whether this service will enjoy long-term success,¹⁴⁴ New.net domain names have been configured to function with several major ISPs, including Earthlink and Excite@Home¹⁴⁵ (these new domains likely will never be fully coordinated with the larger ICANN system, however).¹⁴⁶

140. *Domain Strain*, ECONOMIST, Mar. 10, 2001.

141. *Id.*

142. The twenty-nine TLDs offered are .agent, .arts, .auction, .chat, .church, .club, .family, .free, .game, .gmbh, .golf, .inc, .kids, .law, .llc, .llp, .love, .ltd, .med, .mp3, .school, .scifi, .shop, .soc, .sport, .tech, .travel, .video, and .xxx. *Mission*, New.net, at http://www.new.net/about_us_mission.tp (last visited Oct. 7, 2001) (on file with the *Duke Law Journal*).

143. New.net’s offerings have continued to expand to include, for example, German and Italian TLDs such as .ciao, .amore, .auktion, and .recht. *Press Releases*, New.net, at http://www.new.net/english_press.tp (last visited Oct. 7, 2001) (on file with the *Duke Law Journal*).

144. It is as yet unclear how significant a challenge New.net and related services pose to the ICANN-based system, as consumers have several incentives not to utilize the services of providers not approved by ICANN. The aforementioned lack of a dispute resolution service inconveniences users, who apparently will have to file lawsuits under the ACPA or other national laws to protect their trademark rights. In addition, alternative registration authorities such as New.net provide a much less desirable service than do the ICANN-approved providers, because many servers do not recognize alternative TLDs. This means that not all Internet users will be able to access websites designated by New.net domain names. Perhaps most importantly, because New.net does not operate within the ICANN framework, there is virtually no express check on the manner in which it conducts business. The New.net terms of use include the following disclaimer: “[Registrant agrees] that New.net shall not be liable to you or to any third party for any modification, suspension or *discontinuance* of the Site or the Service,” *Terms of Use*, New.net, at http://www.new.net/policies_terms.tp (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*) (emphasis added), leaving registrants essentially powerless over the conditions of registration.

Nonetheless, New.net has already accumulated a sizable following and is clearly a force capable of disrupting the uniformity promised by the UDRP. According to the New.net website, “tens of millions” of Internet users now have access to its domain names. *Mission*, *supra* note 142.

145. See *Domain Strain*, *supra* note 140 (commenting that these partnerships alone give New.net sixteen million potential users).

146. See *Vint Cerf Replies to (Most of) Your Questions*, ICANNWatch, at <http://www.icannwatch.org/article.php?sid=114> (Apr. 19, 2001) (on file with the *Duke Law Journal*) (quoting ICANN Chairman Vinton G. Cerf, who finds it unlikely that a formula to bring pioneer registries within the ICANN framework would be possible). This is particularly an issue with respect to .biz, which recently was approved for use within the ICANN frameworks but is also currently in use by non-approved registrars. *ICANN GA Chair Calls for Discussion of TLD*

Because New.net, like most ccTLD registrars, has not adopted the UDRP, its existence makes the UDRP something less than a comprehensive and uniform global dispute resolution mechanism. Non-approved TLD providers such as New.net operate outside ICANN's regulatory authority, so their registrants are constrained only by local laws. As such, they have the potential to splinter the DNS, thereby adversely affecting the UDRP's ability to address issues of domain name dispute resolution uniformly.

New.net has attempted to avoid the cybersquatting problem by prohibiting sale or transfer of its domain names.¹⁴⁷ However, it has not yet indicated whether it will implement dispute resolution procedures to resolve the conflicts that will inevitably arise in spite of this policy. As a result, the UDRP and its principles are completely unavailable to parties aggrieved by New.net registrations.

These and other threats to the stability of the DNS are particularly troubling because neither ICANN nor New.net appears willing to cooperate with the other. Already, the clash between the organizations has resulted in a heated discussion between their attorneys,¹⁴⁸ with New.net hurling accusations of business libel and ICANN responding that "proprietary naming schemes such as that promoted by New.net threaten to harm the Internet as a truly global means of communication."¹⁴⁹ These exchanges indicate that New.net not only may complicate the creation of a comprehensive and uniform international domain name policy, but also may present a threat to the stability of the DNS.¹⁵⁰

"Name Collisions," ICANNWatch, at <http://www.icannwatch.org/article.php?sid=106> (Apr. 12, 2001) (on file with the *Duke Law Journal*).

147. *Terms of Use*, *supra* note 144.

148. *New.net Demands That ICANN Retract Statements*, ICANNWatch, at <http://www.icannwatch.org/article.php?sid=268&mode=thread&order=0> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

149. *Id.*

150. An additional and related issue presented by New.net and its competitors is how to address the collision that inevitably will occur when ICANN introduces a new TLD that is identical to an existing TLD offered by New.net or another competitor with significant market power. See *supra* note 146 (discussing the .biz TLD). This Note does not attempt to propose a solution for such a conflict but merely recognizes that this factor increases the potential for disruption of existing DNS uniformity.

III. MOVING FORWARD: TRANSFORMING THE UDRP INTO A COMPREHENSIVE INTERNATIONAL DISPUTE RESOLUTION SYSTEM

A. *Achieving Consistency Under the UDRP*

To reduce the problem of contradictory panel holdings, as well as the related allegations of bias, ICANN would be wise to amend the UDRP to provide specific guidance on key issues such as fair-use type situations and speculation in domain names. Amendments to the policy could help resolve a wide variety of issues that engender confusion or conflict between arbitrators.¹⁵¹ For example, the open question of whether domain name speculation is distinguishable from cybersquatting¹⁵² could be addressed by this means, through an amendment clarifying that speculation in domain names is not, in itself, evidence of bad faith unless the registrant had actual or constructive knowledge that another party has trademark rights in a confusingly similar word or phrase. In addition, the amended policy could clarify that a domain name containing “sucks” or a similar disparaging term should be presumed not to be confusingly similar.

The process by which these and other amendments are enacted should be conducted in a manner that takes into consideration the accountability and bias concerns that have been directed at ICANN and the UDRP. Any amendment to the policy, no matter how carefully crafted, undoubtedly will engender criticism from various fronts.¹⁵³ To minimize such criticism, ICANN should create an advisory committee with a carefully selected membership. Members should include international trademark experts from various political perspectives and representatives from each arbitration organization. In addition, to address concerns about ICANN’s accountability to the Internet community, selection of some members of the advisory committee should take place partially through an Internet election to guard against claims that ICANN is catering to special interest groups.

151. For example, amendments to the UDRP could prove useful should disagreement arise over multilingual and “character” domains, in which Japanese, Chinese, or other non-Roman symbols compose the domain. For a discussion of the technology involved in such domains, see *ICANN Melbourne Meeting Topic: Introduction of Internationalized Domain Names*, ICANN, at <http://www.icann.org/melbourne/idn-topic.htm> (last visited Sept. 28, 2001) (on file with the *Duke Law Journal*).

152. See *supra* notes 95–102 and accompanying text.

153. For example, permitting some types of domain name speculation and “sucks” registrations would engender opposition from the business community. See *supra* notes 103–12 and accompanying text.

Carefully crafted amendments to the UDRP will provide clear and consistent rules that both arbitrators and members of the Internet community can consider in planning future conduct. In addition, insofar as the current policy is not entirely clear in its protection of fair uses such as parody or criticism, amendments could reduce the system's appearance of bias toward trademark owners.

B. Expanding the Applicability of the UDRP

1. *Country Code Solutions.* WIPO recently urged countries to either specifically adopt the UDRP or a substantially similar policy, in order to provide consistency and to strengthen international protection against cybersquatting.¹⁵⁴ Under the WIPO Best Practices statement issued in June 2001, all country code domain name registrants also would be required to provide contact information and submit to mandatory arbitration, just as those in the other ICANN-approved TLDs currently must do.¹⁵⁵ The ideal of consistency advocated by the WIPO guidelines clearly is the best approach for the international Internet community.

There seems to be no way, short of a dramatic ICANN policy shift, to actually force country code registrars to submit to this process. In light of the accountability concerns currently casting a shadow over ICANN and the UDRP,¹⁵⁶ this option is far too politically volatile to be considered a viable option. However, one would hope that in light of the policy benefits of such a system, country code registration authorities will nonetheless follow the lead of those that have already done so and implement mandatory arbitration under the UDRP.

2. *Alternative TLD Solutions.* Alternative TLDs present another challenging issue for ICANN. At present, New.net is a threat to ICANN's dominance of the Internet and, as such, ICANN has a disincentive to aid New.net in any manner. However, should New.net or a similar service become a viable alternative to the ICANN-approved

154. Williams, *supra* note 134, at 10.

155. See *ccTLD Best Practices for the Prevention and Resolution of Intellectual Property Disputes*, World Intellectual Property Organization, at <http://ecommerce.wipo.int/domains/cctlds/bestpractices/bestpractices.html> (last visited Oct. 19, 2001) (on file with the *Duke Law Journal*) ("The adoption of the UDRP (or a version thereof) by ccTLD administrators would introduce greater uniformity in domain name dispute resolution at the international level.").

156. See *supra* note 94 and accompanying text.

registrars,¹⁵⁷ a lack of cooperation between ICANN and New.net could threaten the uniformity of the DNS, and, as relevant to this discussion, the dispute resolution process.

Ideally, New.net would adopt a dispute resolution policy containing provisions identical to those of the UDRP, a solution that would provide consistent rules and remedies for all Internet users. This approach already has been taken by one corporation that operates in a similar context. RealNames¹⁵⁸ has created more than one million “keywords”¹⁵⁹ that take Internet users directly to a desired website based on an intuitive description of the site’s content, bypassing the step of typing the domain name.¹⁶⁰ Because keywords serve a function similar to domain names, the “landrush mentality” evident in the domain name context is equally evident in the keywords context.¹⁶¹ As such, the potential for cybersquatting and other domain name-like conflicts is significant. To provide clear and consistent rules for resolution of keyword disputes, RealNames not only has prohibited sale of its keywords, it also has self-regulated by partnering with eResolution, one of the ICANN-approved dispute resolution

157. As I have discussed, I take the position that the current service offered by New.net is not yet an attractive alternative for consumers. *See supra* note 144.

158. For more information on the company, see generally <http://www.realnames.com>.

159. The RealNames keyword system already has been integrated into Microsoft’s Internet Explorer, as well as several other browsers and portal sites. *About RealNames*, RealNames Corporation, at http://www.realnames.com/Virtual.asp?page=Eng_Corporate_Background (last visited Sept. 30, 2001) (on file with the *Duke Law Journal*). It has the potential to become even more widespread, as the keyword system has clear benefits for large corporations in that it allows them to direct consumers to their website without the inconvenience of encountering a multitude of responses from a search engine. In addition, it allows users to go directly to a specific product site without having to navigate from the main home page, and thus serves a valuable trademark purpose in Internet society by reducing consumer search costs. The keyword system, however, has several limitations. One problem is that it seems unlikely, at least with respect to smaller companies, that users will always know the geographic designation or other specific identity information of the company they are trying to reach. As a result, they may be directed instead to the websites of other companies with similar trademarks, who in some instances may even be competitors. In addition, the system is really only useful where the user already knows the specific brand name and type of product she is looking for, which is not necessarily a fair assumption with respect to the typical Internet user. As such, it is unlikely that the domain name system will be replaced by keywords. Nonetheless, to the extent that keywords become a significant supplement to the domain name system, it is important that they conform to similar procedures and regulations.

160. *See Walt Disney Internet Group to Use RealNames Internet Keyword Technology for Online Properties*, BUSINESS WIRE, Jan. 9, 2001 (“Internet users simply type the name into the address bar of their Web browser and are transported directly to the specific Web page.”).

161. *See WIPO Internet Domain Name Process*, *supra* note 2, para. 349 (warning that if keywords gain a wide market acceptance, many of the same difficulties now associated with rights over domain names will arise in the keywords context).

providers, to resolve disputes concerning alleged improper uses of a trademark.¹⁶² This move should be applauded. ICANN should support such initiatives and view RealNames as a contributor to its domain name system rather than as a competitor, and it should cooperate with the organization whenever feasible.

Unfortunately, the consistency that has been achieved between ICANN and RealNames has not been replicated in the context of alternative TLDs, perhaps because ICANN and New.net appear to consider themselves ideologically opposed.¹⁶³ To preserve its status as the premier domain name authority, ICANN should, in addition to refining the UDRP, assume a defensive position. In essence, ICANN's mission should be to convince Internet users that its centralized authority and dispute resolution mechanism is in the best interests of the Internet community. In addition to improving its public relations strategy, it likely will be desirable for ICANN to roll out new TLDs in the most expeditious manner, to discourage the impression that ICANN is not fully meeting the domain name needs of the entire Internet community.

CONCLUSION

The UDRP rapidly has become a significant part of the cyberlaw landscape, developing into the world's most popular domain name dispute resolution system by virtue of its low cost and relative ease of use. Nonetheless, it is not yet a fully uniform international system. UDRP decisions are not entirely consistent, a problem that creates confusion, thwarts reliance interests, and gives rise to concerns that the arbitrators are biased. Further, the UDRP's applicability is mostly limited to disputes over domain names registered through ICANN-approved gTLD registrars, and it is thus inapplicable to a growing segment of domain names. However, these problems are not insurmountable. The problem of inconsistency, as well as the related bias concerns, can be addressed by amending the policy to provide clarity and to ensure that fair uses are recognized. The limited applicability of the UDRP is a thornier issue, as ICANN cannot address it directly. Nonetheless, ICANN can counteract the effects of nonconforming registrars by cooperating with them to the extent possible, to encour-

162. See *RealNames Partners with eResolution to Resolve Keyword Disputes Worldwide*, BUSINESS WIRE, Mar. 7, 2001 (describing the companies' two-year exclusive partnership).

163. See *supra* notes 148-51 and accompanying text.

age adoption of the UDRP or a UDRP-like policy. In addition, ICANN can remedy the problem of limited applicability by improving its own image, thereby regaining power and influence over global domain name dispute resolution. Through these actions, ICANN can craft the UDRP into a fair, efficient, and consistent international dispute resolution mechanism.