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JUDICIAL REVIEW OF ICANN DOMAIN NAME DISPUTE DECISIONS[†]

David E. Sorkin[‡]

Since late 1999 more than 3,000 quasi-arbitral proceedings have been conducted to address disputes involving Internet domain names.¹ These proceedings are governed by the Uniform Dispute Resolution Policy (UDRP) adopted by the Internet Corporation for Assigned Names and Numbers (ICANN).² A UDRP proceeding is instituted by a trademark owner who wishes to challenge a domain name.³ If the UDRP panel orders that the domain name should be transferred to the trademark owner, that order will be implemented unless the domain name registrant promptly commences a lawsuit against the trademark owner.⁴ Apart from this provision for external judicial review, there is no appeal mechanism within the UDRP.

Domain name registrants have taken advantage of the right to seek judicial review in a small but significant number of cases.⁵ At

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¹ See ICANN, *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy* (Nov. 15, 2001), at <http://www.icann.org/udrp/proceedings-stat.htm>. Over half of these proceedings have been conducted by the World Intellectual Property Organization (WIPO). See WIPO, *Domain Name Dispute Resolution Service in 2000* (Jan. 2001), available at <http://arbiter.wipo.int/domains/brochure.pdf>.

² ICANN, *Uniform Domain Name Dispute Resolution Policy* (approved Oct. 24, 1999) [hereinafter *ICANN Policy*], at <http://www.icann.org/udrp/udrp-policy-24oct99.htm>.

³ See *infra* text accompanying notes 24–25.

⁴ See *infra* text accompanying notes 35–36.

⁵ See Patrick L. Jones, *UDRP Decisions Challenged in Court*, THE UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY LEGAL INFORMATION SITE, at <http://www.udrplaw.net/UDRPAppeals.htm> (last updated Nov. 30, 2001).

least two U.S. courts thus far have held that they are not bound by UDRP decisions, although the legal effect of these decisions remains unclear.⁶ Courts normally apply an extremely deferential standard of review to arbitration decisions. As this Article will explain, however, courts should be very hesitant to place much reliance on the conclusions of UDRP panels.

Part I of this Article discusses the scope of judicial review of arbitration decisions generally. Part II describes ICANN's UDRP process, including some of the major differences between UDRP proceedings and conventional arbitration. Part III examines the experience to date of courts that have addressed disputes subject to parallel UDRP proceedings.⁷ Finally, in Parts IV and V, the Article discusses substantive and procedural objections following UDRP decisions in legal proceedings, and concludes that a *de novo* standard of review is warranted.

I. JUDICIAL REVIEW OF ARBITRATION DECISIONS GENERALLY

Arbitration offers numerous benefits. Compared to litigation, arbitration is a fast, inexpensive, and efficient means of resolving disputes, and it provides a greater degree of finality.⁸ Yet it does not always deliver all of these promised benefits; in particular, arbitration can be quite expensive and drawn out,⁹ and it is not uncommon for those who lose in arbitration to seek recourse in the courts.

Courts apply an extremely narrow standard of review to arbitration decisions. The Federal Arbitration Act¹⁰ provides only four grounds for vacating an arbitration award, all of them procedural in nature:

⁶ See *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745, 752 (E.D. Va. 2001); *Weber-Stephen Prods. Co. v. Armitage Hardware & Bldg. Supply*, 54 U.S.P.Q.2d 1766, 1768 (N.D. Ill. 2000). The *Weber* court explicitly declined to decide the standard it would apply to a UDRP decision, while the *Parisi* court held merely that the "extreme deference" standard of the Federal Arbitration Act is not applicable, and implied that parties should be able to seek *de novo* review of their underlying dispute.

⁷ Parallel legal proceedings, for the purposes of this Article, are legal proceedings involving the same parties and disputed domain name(s) as a pending or completed UDRP proceeding.

⁸ See Stephen A. Hochman, *Judicial Review to Correct Arbitral Error—An Option to Consider*, 13 OHIO ST. J. ON DISP. RESOL. 103, 104 (1997); Norman S. Poser, *Judicial Review of Arbitration Awards: Manifest Disregard of the Law*, 64 BROOK. L. REV. 471, 471 (1998); Thomas J. Stipanowich, *Rethinking American Arbitration*, 63 IND. L.J. 425, 433–34 (1988).

⁹ See Stipanowich, *supra* note 8, at 450–53.

¹⁰ 9 U.S.C. §§ 1–16 (1994).

- (1) Where the award was procured by corruption, fraud, or undue means.
- (2) Where there was evident partiality or corruption in the arbitrators, or either of them.
- (3) Where the arbitrators were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced.
- (4) Where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made.¹¹

Some courts will also reverse arbitration awards that are arbitrary or capricious, in manifest disregard of the law, or contrary to public policy, even though these grounds do not appear in the federal statute,¹² and parties themselves may contract for broader judicial review (for example, for errors of fact or law) in their arbitration agreement.¹³

The primary justification for limiting the scope of judicial review is to preserve the finality of arbitration awards. Absent such a limitation, a losing party could always appeal to a court, avoiding finality and defeating the other purposes of arbitration as well.¹⁴ Furthermore, courts frequently are not well equipped to address issues decided in arbitration. Arbitration panels often decide cases without making detailed findings of law and fact, making it difficult or impossible for a court to review the substance of a panel's conclusions.¹⁵ In addition, parties often select arbitrators with

¹¹ *Id.* § 10(a).

¹² See Hochman, *supra* note 8, at 110; Adam Milam, Comment, *A House Built on Sand: Vacating Arbitration Awards for Manifest Disregard of the Law*, 29 CUMB. L. REV. 705, 707 (1998); Karon A. Sasser, Comment, *Freedom to Contract for Expanded Judicial Review in Arbitration Agreements*, 31 CUMB. L. REV. 337, 342-43 (2000).

¹³ See generally Sasser, *supra* note 12 (favoring expanded judicial review when contracted for by parties); Di Jiang-Schuerger, Note, *Perfect Arbitration = Arbitration + Litigation?*, 4 HARV. NEGOT. L. REV. 231 (1999) (arguing against expanded review).

¹⁴ See Sasser, *supra* note 12, at 342.

¹⁵ The American Arbitration Association discourages arbitrators from publishing reasoned awards, precisely because a written opinion might invite a losing party to attack the decision. See Hochman, *supra* note 8, at 104-05; Stipanowich, *supra* note 8, at 439. In a survey of construction attorneys conducted in 1985 and 1986, only about half the respondents favored requiring arbitrators to provide a written rationale for their awards; most respondents opposed requiring written conclusions of law, partly because of the likely effect on finality of decisions. See Stipanowich, *supra*, at 469.

specialized industry expertise, sometimes with the intent that the dispute be decided based on industry standards rather than legal principles.¹⁶ Judges are very unlikely to possess comparable expertise, and thus would find themselves at a great disadvantage in reviewing the merits of an arbitration award.

Nonetheless, a number of arguments have been made for broadening the scope of judicial review. For example, where a party's participation in arbitration has effectively been compelled (as, for example, by an adhesion contract), or where the arbitration award effectively decides legal questions with important public policy implications (for example, in employment discrimination cases), courts may wish to subject arbitration awards to stricter scrutiny.¹⁷ Judicial review also may help reduce the incidence of fraud and abuse.¹⁸ An appeal mechanism might encourage parties to enter into arbitration agreements, cause arbitrators to decide cases more conscientiously, and promote public confidence in arbitration.¹⁹

II. ICANN'S DISPUTE RESOLUTION PROCESS

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed as a nonprofit entity in 1998, primarily at the instigation of the U.S. Department of Commerce.²⁰ ICANN is charged with administering the Internet's addressing systems,

¹⁶ See, e.g., Hochman, *supra* note 8, at 103 (noting that parties in certain industries historically desired to have disputes decided by industry experts rather than lawyers).

¹⁷ See *id.* at 116–19; Stephen Buehrer, *A Clash of the Titans: Judicial Deference to Arbitration and the Public Policy Exception in the Context of Sexual Harassment*, 6 AM. U. J. GENDER SOC. POL'Y & L. 265 (1998); Kenneth R. Davis, *When Ignorance of the Law Is No Excuse: Judicial Review of Arbitration Awards*, 45 BUFF. L. REV. 49, 108–17 (1997); Ann C. Hodges, *Judicial Review of Arbitration Awards on Public Policy Grounds: Lessons from the Case Law*, 16 OHIO ST. J. ON DISP. RESOL. 91 (2000); Anthony J. Jacob, Comment, *Expanding Judicial Review to Encourage Employers and Employees to Enter the Arbitration Arena*, 30 J. MARSHALL L. REV. 1099 (1997); Shelly Smith, Comment, *Mandatory Arbitration Clauses in Consumer Contracts: Consumer Protection and the Circumvention of the Judicial System*, 50 DEPAUL L. REV. 1191 (2001); Elizabeth Tenorio, Note, *The Public Policy Exception: A Narrow Exception to Judicial Review or an Independent Means of Avoiding Arbitration Agreements?*, 1997 J. DISP. RESOL. 173 (1997).

¹⁸ See Jessica L. Gelandner, Comment, *Judicial Review of International Arbitral Awards: Preserving Independence in International Commercial Arbitrations*, 80 MARQ. L. REV. 625, 626 (1997).

¹⁹ See *id.* at 626–27; Sasser, *supra* note 12, at 357.

²⁰ See A. Michael Froomkin, *Wrong Turn In Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17, 24, 70–72 (2000); Jonathan Weinberg, *ICANN and the Problem of Legitimacy*, 50 DUKE L.J. 187, 209–12 (2000).

including the domain name system.²¹ ICANN has attracted considerable attention over the past two years for its role in approving and rejecting various proposals for new top-level domains (TLDs) to supplement “.com” and other existing TLDs.²² As the de facto accrediting agency for domain name registrars, however, ICANN also has the power to set forth the terms under which registrars may operate. In particular, ICANN directs accredited registrars to require domain name registrants to submit to the Uniform Domain Name Dispute Resolution Policy.²³

Under the UDRP, any person or entity with rights in a trademark may initiate an administrative dispute resolution proceeding by submitting a complaint to one of the four ICANN-approved dispute resolution service providers: the World Intellectual Property Organization (WIPO), the National Arbitration Forum (NAF), eResolution, and the CPR Institute for Dispute Resolution.²⁴ The complaint must allege three elements: (1) that the domain name is identical or confusingly similar to the complainant’s trademark; (2) that the registrant lacks rights or legitimate interests in the domain name; and (3) that the domain name has been registered and is being used in bad faith.²⁵ The complainant also must agree to submit to the

²¹ See ICANN, *ICANN Fact Sheet*, at <http://www.icann.org/general/fact-sheet.htm> (last modified Feb. 17, 2001).

²² Much of the controversy surrounding ICANN’s legitimacy appears to stem from its effective control over expansion of the top-level domain space. See generally Weinberg, *supra* note 20; Joe Salkowski, *Dot-Com Credentialing Gets More Competitive*, CHI. TRIB., Mar. 19, 2001, Bus. sec., at 4; ICANNWATCH, at <http://www.icannwatch.org> (last visited Nov. 15, 2001).

²³ See ICANN, *Policies Applicable to ICANN-Accredited Registrars (.com, .net and .org)*, at <http://www.icann.org/general/consensus-policies.htm> (last modified Nov. 5, 1999). See generally Laurence R. Helfer & Graeme B. Dinwoodie, *Designing Non-National Systems: The Case of the Uniform Domain Name Dispute Resolution Policy*, 43 WM. & MARY L. REV. 141, 157-89 (2001) (describing the historical evolution of the UDRP), available at <http://papers.ssrn.com> (search by title and an author’s name; article is available for downloading in pdf format).

²⁴ ICANN, *Rules for Uniform Domain Name Dispute Resolution Policy* ¶ 3(a) (approved Oct. 24, 1999) [hereinafter *ICANN Rules*], at <http://www.icann.org/udrp/udrp-rules-24oct99.htm>; ICANN, *Approved Providers for Uniform Domain Name Dispute Resolution Policy*, at <http://www.icann.org/udrp/approved-providers.htm> (last modified Apr. 14, 2001). The vast majority of disputes are submitted to either WIPO or NAF, possibly because of perceived relative biases of the various providers. See Michael Geist, *Fair.com?: An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP* 11 (Aug. 2001), available at <http://aix1.uottawa.ca/~geist/geistudrp.pdf>; Milton Mueller, *Rough Justice: An Analysis of ICANN’s Uniform Dispute Resolution Policy* 26 (Nov. 9, 2000), available at <http://dcc.syr.edu/roughjustice.pdf> (finding a correlation between providers’ market share and tendency to rule in favor of trademark owners).

²⁵ See ICANN Policy, *supra* note 2, ¶ 4(a).

jurisdiction of the courts in a “mutual jurisdiction” with respect to a challenge to the proceeding.²⁶ The provider then forwards the complaint to the domain name registrant, who has twenty days to submit its response.²⁷

UDRP disputes are decided by a panel comprised of one or three members; unless one of the parties elects a three-member panel, a single panelist is appointed.²⁸ Each provider maintains a list of qualified panelists, and the sole or lead panelist is selected from the provider’s list of panelists. Where a three-member panel is to be appointed, each party may nominate prospective panelists drawn from any provider’s list, and the provider administering the proceeding will attempt to appoint a panelist nominated by each party.²⁹ The panelists generally are experienced intellectual property attorneys, academics, or (in the case of the NAF) retired judges.³⁰

The panel is instructed to decide the dispute on the basis of the statements and documents submitted, applying any rules of law that it deems applicable.³¹ Absent exceptional circumstances, the panel is

²⁶ See *ICANN Rules*, *supra* note 24, ¶ 3(xiii). A “mutual jurisdiction” is defined as: [A] court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder’s address as shown for the registration of the domain name in Registrar’s Whois database at the time the complaint is submitted to the Provider.

Id. ¶ 1.

²⁷ See *ICANN Policy*, *supra* note 2, ¶ 5(a).

²⁸ The fee varies by provider. WIPO currently charges \$1,500 for a single-panelist proceeding involving up to five domain names, and \$3,000 for a three-panelist proceeding. See WIPO, *Schedule of Fees under the ICANN Policy* (effective Aug. 15, 2000), at <http://arbiter.wipo.int/domains/fees>. The fee is paid by the complainant, unless the respondent opts for a three-member panel, in which case each party pays half of the applicable fee. See *ICANN Rules*, *supra* note 24, ¶ 19.

²⁹ See *ICANN Rules*, *supra* note 24, ¶ 6(d).

³⁰ See CPR Institute for Dispute Resolution, *CPR Specialized Panels: CPR Domain Name Disputes Panel (ICANN)*, at http://www.cpradr.org/specpan_domainname.htm (last visited Nov. 16, 2001); eResolution, *List of Panelists*, at <http://www.eresolution.ca/services/dnd/arbitrators.htm> (last visited Nov. 15, 2001); National Arbitration Forum (NAF), *List of Qualified Dispute Resolution Panelists*, at <http://www.arbforum.com/domains/panelistResults.asp> (last visited Nov. 16, 2001); WIPO, *WIPO Domain Name Panelists*, at <http://arbiter.wipo.int/domains/panel/panelists.html> (last modified Sept. 11, 2001); Christopher S. Lee, *The Development of Arbitration in the Resolution of Internet Domain Name Disputes*, 7 RICH. J.L. & TECH. 2, ¶¶ 34–36 (Fall 2000), at <http://www.richmond.edu/jolt/v7i1/article2.html>.

³¹ See *ICANN Rules*, *supra* note 24, ¶ 15(a). Panels occasionally cite to statutes and court decisions, generally from the jurisdiction in which one or both parties are located, although citations to previous UDRP decisions (and of course to the UDRP itself) are much more common.

expected to render a decision within fourteen days of its appointment.³² The only remedies available are cancellation of the domain name and transfer of the name to the complainant.³³ A panel also may determine that the complaint was brought in bad faith—a practice often referred to as reverse domain name hijacking—but such a determination has no practical effect.³⁴ The panel's decision is communicated to the parties and subsequently published on the provider's Web site.³⁵

If the panel orders that a domain name be transferred or cancelled, the domain name registrar ordinarily will implement that order after ten business days have passed. However, the registrant may stay that action by commencing a lawsuit against the complainant in the mutual jurisdiction previously specified by the complainant. The registrant must furnish documentation of the lawsuit to the registrar within the ten-day period. The registrar then will stay implementation of the order pending resolution of the lawsuit.³⁶

UDRP proceedings differ from conventional arbitration in a number of ways. Participation in UDRP proceedings is mandatory

³² See *id.* ¶ 15(b).

³³ See *id.* ¶ 4(i). In practice, cancellation of a domain name is rare, as it causes the domain name to be released for re-registration by anyone. As a result, knowledgeable complainants and those represented by capable counsel normally seek transfer rather than cancellation. See, e.g., *ISL Mktg. AG v. Chung*, No. D2000-0034 (WIPO Apr. 3, 2000), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0034.html>. But see, e.g., *Montgomery Mall Assocs. L.P. v. Smirk, Inc.*, No. FA0104000097042 (NAF May 14, 2001) (ordering cancellation of a domain name, apparently on the ground that neither party ought to possess exclusive rights in the name), at <http://www.arbforum.com/domains/decisions/97042.htm>; *Fiber-Shield Indus., Inc. v. Fiber Shield Ltd.*, No. FA0001000092054 (NAF Feb. 29, 2000), at <http://www.arbforum.com/domains/decisions/92054.htm>. Most of the cancellation decisions to date have been issued by National Arbitration Forum panels, perhaps because panelists affiliated with other providers tend to have a better understanding of the domain name system. One critic describes the cancellation option rather coarsely as “a classic case in point of what happens when stupid people are asked to do something requiring thought.” See John Berryhill, *WIPO Suction*, THE UDRP CANCELLED DOMAIN COLLECTION, at <http://www.nokiagirls.com> (last visited Nov. 16, 2001).

³⁴ See *ICANN Rules*, *supra* note 24, ¶ 15(e).

³⁵ See *id.* ¶ 16; *ICANN Policy*, *supra* note 2, ¶ 4(j). ICANN's Web site contains links to the providers' Web sites and to an engine that searches the text of the decisions. See *ICANN, Uniform Domain-Name Dispute-Resolution Policy*, at <http://www.icann.org/udrp/udrp.htm> (last updated Aug. 26, 2001).

³⁶ See *ICANN Policy*, *supra* note 2, ¶ 4(k). Some commentators have proposed that an internal appellate process be made available in lieu of external judicial review. See, e.g., M. Scott Donahey, *Adding Appeals Procedure to Dispute Resolution Might Satisfy ICANN Critics*, 6 BNA'S ELECTRONIC COM. & L. REP. 21, 33 (Jan. 10, 2001).

for domain name registrants, but optional for trademark owners (as they are not bound by contracts with domain name registrars), who may choose to take their trademark or related claims directly to court.³⁷ UDRP decisions are not binding; a losing domain name registrant can block implementation of a cancellation or transfer order by filing a lawsuit following the decision, and a losing trademark owner can resurrect its claim by filing suit or (depending on the panel) merely by filing a second UDRP complaint.³⁸ UDRP proceedings are conducted almost exclusively via documents, with live hearings being rare or nonexistent.³⁹ Furthermore, panelists generally have only a few days to review these documents, conduct their deliberations, and draft the decision. It should not be surprising that they often seem hesitant to delve deeply into contested factual matters or complex policy questions.⁴⁰

Default proceedings are commonplace; domain name registrants do not even file a response in one third to one half of all UDRP cases, and complainants have prevailed in nearly all such instances.⁴¹

³⁷ See *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745, 751 (E.D. Va. 2001).

³⁸ See, e.g., *High Speed Prod'ns., Inc. v. Thrasher Magazine, Ltd.*, No. FA0103000097008 (NAF June 20, 2001) (finding in favor of trademark owner that had lost previous identical proceeding, citing UDRP decisions on both sides of preclusion question), at <http://www.arbforum.com/domains/decisions/97008.htm>; *County Bookshops Ltd. v. Loveday*, No. D2000-0655 (WIPO Sept. 22, 2000) (noting that "the Policy does not absolutely bar a Complainant from reapplying by filing a new Complaint (subject to payment of a further fee) if it is able to present more substantial and convincing evidence to justify its claim."), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0655.html>.

³⁹ In-person hearings (including teleconferences) are permitted only if a panel deems a hearing necessary "as an exceptional matter." *ICANN Rules*, *supra* note 24, ¶ 13.

⁴⁰ See, e.g., *J.L. Wilson Co. v. Ultraviolet Res. Int'l*, No. FA0105000097148 (NAF June 18, 2001) (describing UDRP process as "very streamlined," and suggesting that parties with a complex dispute resort to litigation), at <http://www.arbforum.com/domains/decisions/97148.htm>; *402 Shoes, Inc. v. Weinstock*, No. D2000-1223 (WIPO Jan. 2, 2001) (noting that courts are better able to address questions of whether a mark is generic or possesses secondary meaning, since panel is constrained by summary nature of UDRP process), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1223.html>; *Bridgestone Firestone, Inc. v. Myers*, No. D2000-0190 (WIPO July 6, 2000) (noting that courts are better suited than UDRP panels to perform fact-intensive analyses of trademark issues), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0190.html>; Jason M. Osborn, Note, *Effective and Complementary Solutions to Domain Name Disputes: ICANN's Domain Name Dispute Resolution Policy and the Federal Anticybersquatting Consumer Protection Act of 1999*, 76 NOTRE DAME L. REV. 209, 247 (2000). But see *Ciccone v. Parisi*, No. D2000-0847 (WIPO Oct. 12, 2000) (disagreeing with view that UDRP panels should refrain from deciding disputed factual issues), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0847.html>.

⁴¹ See John G. White, Note, *ICANN's Uniform Domain Name Dispute Resolution Policy in Action*, 16 BERKELEY TECH. L.J. 229, 236-37 (2001); Mueller, *supra* note 24, at 11-12.

UDRP panelists are expected to write reasoned opinions describing their decisions, and decisions are promptly published on the Web.⁴² Indeed, the UDRP has in effect given rise to a new system of international common law, with panelists increasingly citing to, and relying upon, previous UDRP decisions.⁴³

Commentators have been highly critical of some UDRP decisions, often arguing that panels have stretched the UDRP far beyond its intended scope, or that they have simply applied it incorrectly.⁴⁴ Nevertheless, relatively few UDRP decisions have been brought to the courts,⁴⁵ perhaps because of the high expense of litigation relative to the value of a domain name, or perhaps because trademark owners and domain name registrants believe it would be difficult to convince a court to overturn a UDRP decision.

⁴² The panel is instructed to “provide the reasons on which [its decision] is based.” *ICANN Rules*, *supra* note 24, ¶ 15(d).

⁴³ See David G. Post, *Juries and the UDRP*, ICANNWATCH, at http://www.icannwatch.org/archive/juries_and_the_udrp.htm (Sept. 6, 2000).

⁴⁴ See, e.g., Ian L. Stewart, Note, *The Best Laid Plans: How Unrestrained Arbitration Decisions Have Corrupted the Uniform Domain Name Dispute Resolution Policy*, 53 FED. COMM. L.J. 509, 522–24 (2001), available at <http://www.law.indiana.edu/fclj/pubs/v53/no3/stewart.pdf>; Mueller, *supra* note 24, at 23 (listing seven “Really Bad Decisions”); Doug Isenberg, *Net Law Notebook: Cybersquatter Shows Bruce Springsteen Who’s the Boss*, INTERNET WORLD, Feb. 12, 2001, at <http://www.internetworld.com/news/isen/02122001b.html>; Brian Livingston, *Groups Cite Bias in Domain Name Arbitration*, CNET NEWS.COM, July 7, 2000, at <http://news.cnet.com/news/0-1278-210-3287304-1.html>; DOMAINSHAME, UDRP BREACHES, at <http://www.domainshame.com/udrpbreaches.html> (last visited Sept. 28, 2001); James Love, *CPT Comments to WIPO RFC on Domain Names* (Aug. 11, 2000), at <http://lists.essential.org/pipermail/random-bits/2000-August/000255.html>. Among the decisions that seem to be criticized most frequently are: *Tata Sons Ltd. v. D & V Enters.*, No. D2000-0479 (WIPO Aug. 18, 2000) (sole panelist) (transferring “bodacious-tatas.com” to India-based company Tata Sons), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0479.html>; *Excelentísimo Ayuntamiento de Barcelona v. Barcelona.com Inc.*, No. D2000-0505 (WIPO Aug. 4, 2000) (sole panelist) (transferring “barcelona.com” to city government of Barcelona, Spain), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0505.html>; *J. Crew Int’l, Inc. v. crew.com*, No. D2000-0054 (WIPO Apr. 20, 2000) (2-1 decision) (transferring “crew.com” to trademark owner J. Crew), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0054.html>; *Hearst Comm., Inc. v. Spencer*, No. FA9003763 (NAF Apr. 13, 2000) (2-1 decision) (transferring “esquire.com” to publisher of *Esquire* magazine), at <http://www.arbforum.com/domains/decisions/93763.htm>. All of these cases were decided in favor of the trademark owner. The most controversial case in which a domain name registrant prevailed is probably *Springsteen v. Burgar*, No. D2000-1532 (WIPO Jan. 25, 2001) (2-1 decision) (declining to transfer “brucepringsteen.com” to musician Bruce Springsteen), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-1532.html>.

⁴⁵ See Post, *supra* note 43.

III. UDRP DISPUTES IN THE COURTS

Limited insight into how courts will consider UDRP panel rulings is available from five recent federal court decisions. The first, *Weber-Stephen Products Co. v. Armitage Hardware & Building Supply*,⁴⁶ involved a trademark lawsuit brought by a manufacturer against a retailer that had registered *webergrills.com* and various other domain names incorporating the manufacturer's trademarks.⁴⁷ The manufacturer had initiated a UDRP proceeding one day prior to filing the lawsuit. The retailer asked the court to declare the UDRP proceeding non-binding and to stay the court case pending its resolution.⁴⁸

Relying largely upon the language of the UDRP itself, the *Weber* court noted that the policy contemplates the possibility of parallel legal proceedings, and that it does not intend UDRP panel decisions to be binding on courts.⁴⁹ The court held that it was not bound by the outcome of UDRP proceedings, and it granted the requested stay.⁵⁰ However, the court specifically declined to decide the applicable standard of review and degree of deference that it would apply to a UDRP decision.⁵¹

The second case, *Referee Enterprises, Inc. v. Planet Ref, Inc.*,⁵² was a dispute between a magazine publisher and an on-line publisher. The magazine publisher initiated a UDRP proceeding based upon its trademark rights in the word "referee" as a magazine title, challenging the on-line publisher's use of "ereferree" in various domain names.⁵³ The UDRP panel denied the complaint on the grounds that the on-line publisher was using the term "referee" legitimately, in its generic

⁴⁶ *Weber-Stephen Prods. Co. v. Armitage Hardware & Bldg. Supply*, 54 U.S.P.Q.2d 1766 (N.D. Ill. 2000).

⁴⁷ The domain names at issue were *webergrills.com*, *webergrill.com*, *weber-grills.com*, *weber-grill.com*, *webergrillsource.com*, *webergrillstore.com*, *webergrillshowroom.com*, *webergrills-ah.com*, *webgrills.com*, and *web-grills.com*. See *Weber-Stephen Prods. Co. v. Armitage Hardware*, No. D2000-0187 (WIPO May 11, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0187.html>.

⁴⁸ In the alternative, the retailer asked the court to consider whether the retailer could be compelled to participate in the UDRP proceeding, and to stay the UDRP proceeding pending its determination of that question. See *Weber-Stephen Prods. Co.*, 54 U.S.P.Q.2d at 1768.

⁴⁹ See *id.*

⁵⁰ See *id.*

⁵¹ See *id.*

⁵² *Referee Enters., Inc. v. Planet Ref, Inc.*, No. 00-C-1391 (E.D. Wis. Jan. 24, 2001), available at http://www.louandy.com/CASES/Referee_Ent_v_Planet_Ref.html.

⁵³ The domain names at issue were *ereferree.com*, *ereferree.net*, and *ereferree.org*. See *Referee Enters., Inc. v. Planet Ref, Inc.*, No. FA0004000094707 (NAF June 26, 2000), at <http://www.arbforum.com/domains/decisions/94707.htm>.

sense.⁵⁴ The magazine publisher subsequently filed suit in federal court, alleging various violations of federal trademark law. The court granted an extremely broad preliminary injunction that prohibited the on-line publisher from using any domain name or URL that included the word “referee.”⁵⁵ Interestingly, the court did not even mention the UDRP proceeding in its ruling, perhaps suggesting that it gave the prior decision no deference at all.⁵⁶

The third case, *Parisi v. NetLearning, Inc.*,⁵⁷ was a declaratory judgment action brought by a domain name registrant subsequent to his loss in a UDRP proceeding.⁵⁸ The trademark owner moved to dismiss the action, arguing that the complaint failed to allege sufficient grounds to vacate an arbitration award under the Federal Arbitration Act (FAA).⁵⁹ The court denied the trademark owner’s motion to dismiss, holding that the FAA does not apply to UDRP proceedings.⁶⁰ Like the courts in *Weber* and *Referee Enterprises*, however, the *Parisi* court declined to specify the weight it would give to a UDRP decision.

The fourth case, *Registral.com, LLC v. Fisher Controls International, Inc.*,⁶¹ also involved a domain name registrant seeking

⁵⁴ *Id.*

⁵⁵ See *Referee Enters., Inc. v. Planet Ref, Inc.*, No. 00-C-1391 (E.D. Wis. Jan. 24, 2001), available at http://www.loundy.com/CASES/Referee_Ent_v_Planet_Ref.html. The on-line publisher later was found in contempt for using one of the disputed domain names to redirect traffic to its new web site, and the parties subsequently settled out of court. See Gretchen Schuldt, *Texas Firm Found in Contempt*, MILWAUKEE J. SENTINEL, Mar. 13, 2001, at 2D, available at 2001 WL 9344006 and <http://www.jsonline.com/bym/Tech/news/mar01/referee13031201a.asp>; *Texas, Racine Firms Settle Internet Lawsuit*, MILWAUKEE J. SENTINEL, May 3, 2001, at 2D, available at 2001 WL 9353805 and <http://www.jsonline.com/bym/news/may01/bizbrfs03a1050201.asp>.

⁵⁶ See Richard Raysman & Peter Brown, *Domain Name Litigation – Exclusivity, Finality and Deference*, N.Y.L.J., June 6, 2001, at 3. To the extent that the domain name registrant in *Referee Enterprises* fared worse in court than in the UDRP process, this case seems to represent an anomaly, as trademark owners generally seem to fare better in UDRP proceedings than in court. See Mark K. Anderson, *Ref vs. Ref: Who Decides?*, WIRED NEWS, Mar. 9, 2001, at <http://www.wired.com/news/business/0,1367,42248,00.html>. Nonetheless, it is significant in that it is one of only a handful of court decisions addressing trademark-related domain name disputes previously adjudicated under the UDRP.

⁵⁷ *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745 (E.D. Va. 2001).

⁵⁸ See *NetLearning, Inc. v. Parisi*, No. FA0008000095471 (NAF Oct. 16, 2000), at <http://www.arbforum.com/domains/decisions/95471.htm>. The domain name in question, “netlearning.com,” had been registered more than one year before the complainant’s first use of its “NetLearning” trademark. See *id.*; Raysman & Brown, *supra* note 56.

⁵⁹ 9 U.S.C. §§ 1–16 (1994).

⁶⁰ *Parisi*, 139 F. Supp. 2d at 752–53.

⁶¹ *Registral.com, LLC v. Fisher Controls Int’l, Inc.*, No. H-01-1423, 2001 U.S. Dist. LEXIS 10002 (S.D. Tex. June 28, 2001).

to avoid implementation of an unfavorable UDRP ruling. The *Fisher* court described the parallel UDRP proceeding in a footnote,⁶² but did not otherwise mention or rely upon the result of that proceeding in reaching its decision on the merits.

Most recently, in *Strick Corp. v. Strickland*,⁶³ the court cited *Parisi* for the proposition that UDRP decisions are subject to de novo review.⁶⁴ The domain name owner in *Strick* prevailed in a UDRP proceeding and subsequently won on summary judgment in court. As in *Fisher*, the court included only a brief mention of the parallel UDRP proceeding in its decision.

IV. SUBSTANTIVE CONCERNS

Judicial deference to UDRP decisions is problematic in part because of significant differences in the scope and substance of parallel UDRP and legal proceedings. At least in theory, the UDRP is intended to cover only a narrow range of domain name disputes: claims of “abusive registration” of a domain name made with the intent to profit from another’s trademark.⁶⁵ The UDRP itself contemplates that most domain name disputes, including all “legitimate” disputes, are beyond its scope.⁶⁶

⁶² See *id.* at *8 n.1.

⁶³ *Strick Corp. v. Strickland*, 162 F. Supp. 2d 372 (E.D. Pa. 2001).

⁶⁴ See *id.* at 374 & n.5.

⁶⁵ The ICANN staff report released when the policy was approved describes its scope as follows:

[The UDRP] calls for administrative resolution for only a small, special class of disputes. Except in cases involving “abusive registrations” made with bad-faith intent to profit commercially from others’ trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts (or arbitrators where agreed by the parties) and calls for registrars not to disturb a registration until those courts decide. The adopted policy establishes a streamlined, inexpensive administrative dispute-resolution procedure intended only for the relatively narrow class of cases of “abusive registrations.” Thus, the fact that the policy’s administrative dispute-resolution procedure does not extend to cases where a registered domain name is subject to a legitimate dispute (and may ultimately be found to violate the challenger’s trademark) is a feature of the policy, not a flaw. The policy relegates all “legitimate” disputes—such as those where both disputants had longstanding trademark rights in the name when it was registered as a domain name—to the courts; only cases of abusive registrations are intended to be subject to the streamlined administrative dispute-resolution procedure.

ICANN, *Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy* ¶ 4.1(c) (Oct. 25, 1999), at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm>.

⁶⁶ *Id.*

Furthermore, although parallel legal proceedings are sometimes described as appeals of UDRP decisions,⁶⁷ in fact a UDRP decision lacks formal legal status, unlike a court judgment or an arbitration award.⁶⁸ A legal action that challenges a UDRP decision therefore does so only incidentally to the legal claims that the action involves, claims potentially involving trademark and unfair competition law, contract law, fraud, conversion, privacy and personality rights, free speech, due process, public policy, and other matters related to the parties' overarching dispute.⁶⁹ The scope of UDRP proceedings, on the other hand, is extremely narrow, encompassing only the three elements set forth in the policy (identity/similarity to a trademark, lack of legitimate interests, and bad faith registration and use).⁷⁰ While a UDRP panel also has discretion to consider other matters,⁷¹ it is unusual for panels to journey far beyond the UDRP and general principles of trademark law.⁷²

⁶⁷ See, e.g., Jones, *supra* note 5.

⁶⁸ See *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745, 752 (E.D. Va. 2001) (noting that unlike arbitration awards, UDRP decisions are not subject to court confirmation and enforcement under the Federal Arbitration Act).

⁶⁹ See, e.g., *id.* (stating that UDRP calls for parallel litigation to resolve overarching claims); *Famology.com, Inc. v. Perot Sys. Corp.*, No. 00-2363, 2001 U.S. Dist. LEXIS 8554, (E.D. Pa. June 19, 2001). But see *Virtuality L.L.C. v. Bata Ltd.*, 138 F. Supp. 2d 677 (D. Md. 2001) (where court's exercise of personal jurisdiction over trademark owner in parallel litigation is based upon consent to "mutual jurisdiction" required by UDRP, court possesses jurisdiction only for purposes of trademark claims).

⁷⁰ See *supra* text accompanying note 25. UDRP panels also may address the separate issue of reverse domain name hijacking, see *supra* text accompanying note 34, although in practice this question arises in relatively few cases.

⁷¹ A panel may consider "any rules and principles of law that it deems applicable." *ICANN Rules*, *supra* note 24, ¶ 15(a).

⁷² For example, UDRP panels faced with disputes involving personal or geographic names generally have considered only the trademark rights that may attach to such names. See, e.g., *Port of Helsinki v. Paragon Int'l Projects Ltd.*, No. D2001-0002 (WIPO Feb. 12, 2001) (finding that no trademark rights exist in the name "Port of Helsinki"), at <http://arbitr.wipo.int/domains/decisions/html/2001/d2001-0002.html>; *Rush v. Oregon CityLink*, No. FA0007000095318 (NAF Sept. 7, 2000) (finding no trademark rights in the name of Gold Beach, a town in Oregon), at <http://www.arbforum.com/domains/decisions/95318.htm>; *Excelentísimo Ayuntamiento de Barcelona v. Barcelona.com Inc.*, No. D2000-0505 (WIPO Aug. 4, 2000) (finding trademark rights in the name of Barcelona, Spain, based upon registered trademarks that include the city's name), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0505.html>; *Sumner v. Urvan*, No. D2000-0596 (WIPO July 24, 2000) (expressing doubt that musician known professionally as Sting has trademark rights in that name, and noting that the UDRP does not cover personality rights), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0596.html>; *Roberts v. Boyd*, No. D2000-0210 (WIPO May 29, 2000) (finding that actress Julia Roberts has common-law trademark rights in her name), at <http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0210.html>; *Winterson v. Hogarth*, No. D2000-0235 (WIPO May 22, 2000) (finding that author Jeanette Winterson has common-

Even the trademark questions that arise in UDRP proceedings tend to differ from those at issue in litigation. Under the UDRP, for example, a panel is to consider whether the disputed domain name is “identical or confusingly similar” to the complainant’s trademark.⁷³ Trademark law, on the other hand, imposes liability for the commercial use of a copy or imitation of a registered trademark if the use “is likely to cause confusion.”⁷⁴ While both standards depend upon the likelihood of confusion, the UDRP makes this determination merely by comparing the domain name with the trademark (or its textual component, in the case of a design mark⁷⁵), whereas the Lanham Act considers the strength of the mark, the manner in which the mark and the domain name are used, and many other contextual facts.⁷⁶ Perhaps because of this divergence, UDRP panels tend to favor trademark owners over registrants of domain names that append “sucks” to a trademark,⁷⁷ even though courts have rejected parallel

law trademark rights in her name), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0235.html>. This approach is consistent with and indeed dictated by the UDRP (though some panels may have stretched the concept of trademark rights rather far in order to compensate for the lack of protection for personal and geographic names), but it makes UDRP decisions particularly unhelpful to courts.

⁷³ See *ICANN Policy*, *supra* note 2, ¶ 4(a)(i).

⁷⁴ See 15 U.S.C. §§ 1114(1)(a), (b), 1125(a)(1)(A) (1994 and Supp. 1999).

⁷⁵ Most UDRP panels thus far have paid little attention to the type of trademark, and design marks generally have been found sufficient under the identity/similarity element. See, e.g., *Sweeps Vacuum & Repair Ctr., Inc. v. Nett Corp.*, No. D2001-0031 (WIPO Apr. 13, 2001) (finding “sweeps.com” identical to service mark consisting of the word “sweeps” with a design), at <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-0031.html>; *Fábricas Agrupadas de Muñecas de Onil S.A. v. Palameta*, No. D2000-1689 (WIPO Mar. 14, 2001) (finding “famosa.com” identical or confusingly similar to trademarks consisting of the word “famosa” and design elements), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-1689.html>. But see *Nat’l Kidney Found. v. Los Girasoles*, No. AF-0293 (eResolution Aug. 31, 2000) (finding that “nkf.org” is not confusingly similar to trademark consisting of a stylized version of the letters “NKF”), at <http://www.eresolution.ca/services/dnd/decisions/0293.htm>; cf. *Acoustical Publ’ns, Inc. v. Cintron*, No. AF-0319 (eResolution Oct. 3, 2000) (holding that “soundandvibration.com” is not identical or confusingly similar to trademark consisting of the letters S and V in a logo, with the words “sound and vibration” appearing below in smaller type), at <http://www.eresolution.ca/services/dnd/decisions/0319.htm>.

⁷⁶ Courts consider a number of factors in assessing likelihood of confusion, including:

1. strength of the mark; 2. proximity of the goods; 3. similarity of the marks; 4. evidence of actual confusion; 5. marketing channels used; 6. type of goods and the degree of care likely to be exercised by the purchaser; 7. defendant’s intent in selecting the mark; and 8. likelihood of expansion of the product lines.

AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979). If the goods produced by the alleged infringer are completely unrelated to those of the trademark owner, then there cannot be any infringement. See *id.* at 348.

⁷⁷ See *Bloomberg L.P. v. Secaucus Group*, No. FA0104000097077 (NAF June 7, 2001) (finding “michaelbloombergssucks.com” confusingly similar to Bloomberg trademarks, but

claims based upon trademark law.⁷⁸ A similar incongruity exists in the case of tarnishment claims. Under the Lanham Act, as amended

denying complaint on other grounds), at <http://www.arbforum.com/domains/decisions/97077.htm>; ADT Servs. AG v. ADT Sucks.com, No. D2001-0213 (WIPO Feb. 26, 2001) (finding “adtsucks.com” confusingly similar to ADT trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0213.html>; Société Accor v. Hartmann, No. D2001-0007 (WIPO Jan. 19, 2001) (in proceeding involving French parties and domain registry, finding that “accorsucks.com” is confusingly similar to Accor trademark because non-English speakers may not understand what “sucks” means), at <http://arbiter.wipo.int/domains/decisions/html/2001/d2001-0007.html>; TPI Holdings, Inc. v. AFX Communications, No. D2000-1472 (WIPO Nov. 21, 2000) (finding “autotradersucks.com” confusingly similar to Auto Trader trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1472.html>; Diageo PLC v. Zuccarini, No. D2000-0996 (WIPO Oct. 22, 2000) (finding “guinness-beer-really-really-sucks.com” and several other domain names confusingly similar to Guinness trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0996.html>; Wal-Mart Stores, Inc. v. MacLeod, No. D2000-0662 (WIPO Sept. 19, 2000) (finding “wal-martsucks.com” confusingly similar to Wal-Mart trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0662.html>; Cabela’s Inc. v. Cupcake Patrol, No. FA0006000095080 (NAF Aug. 29, 2000) (finding “cabelassucks.com” confusingly similar to Cabela’s trademark), at <http://www.arbforum.com/domains/decisions/95080.htm>; Direct Line Group Ltd. v. Purge I.T., No. D2000-0583 (WIPO Aug. 13, 2000) (finding “directlinesucks.com” confusingly similar to Direct Line trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0583.html>; Dixons Group PLC v. Purge I.T., No. D2000-0584 (WIPO Aug. 13, 2000) (finding “dixonsucks.com” confusingly similar to Dixons trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0584.html>; Freeserve PLC v. Purge I.T., No. D2000-0585 (WIPO Aug. 13, 2000) (finding “freeservesucks.com” confusingly similar to Freeserve trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0585.html>; Nat’l Westminster Bank PLC v. Purge I.T., No. D2000-0636 (WIPO Aug. 13, 2000) (finding “natwestsucks.com” confusingly similar to Natwest trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0636.html>; Standard Chartered PLC v. Purge I.T., No. D2000-0681 (WIPO Aug. 13, 2000) (finding “standardchartereducks.com” confusingly similar to Standard Chartered trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0681.html>; Wal-Mart Stores, Inc. v. Walsucks, No. D2000-0477 (WIPO July 20, 2000) (finding “walmartcanadasucks.com” and other domain names confusingly similar to Wal-Mart trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0477.html>. *But see* Lockheed Martin Corp. v. Parisi, No. D2000-1015 (WIPO Jan. 26, 2001) (finding that “lockheedmartinsucks.com” and “lockheedsucks.com” are not confusingly similar to Lockheed and Lockheed Martin trademarks), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1015.html>; McLane Co. v. Craig, No. D2000-1455 (WIPO Jan. 11, 2001) (finding that “mclanenortheastucks.com” is not confusingly similar to McLane Northeast trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1455.html>; Wal-Mart Stores, Inc. v. wallmartcanadasucks.com, No. D2000-1104 (WIPO Nov. 23, 2000) (finding that “wallmartcanadasucks.com” is not confusingly similar to Wal-Mart trademark), at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-1104.html>; Osborn, *supra* note 40, at 249-50 (defending UDRP based upon author’s prediction that UDRP panels would not find a “sucks” domain name to be confusingly similar to a trademark).

⁷⁸ See *Lucent Techs., Inc. v. Lucentucks.com*, 95 F. Supp. 2d 528, 535 (E.D. Va. 2000) (noting in dictum that an average consumer would not confuse “lucentucks.com” with Lucent trademarks, negating likelihood of confusion element of trademark claims); *Bally Total Fitness*

by the Federal Trademark Dilution Act of 1995, a tarnishment claim requires proof that the trademark is famous,⁷⁹ but under the UDRP, it appears that any trademark can be the subject of tarnishment.⁸⁰

The Anticybersquatting Consumer Protection Act of 1999 (ACPA),⁸¹ a set of amendments to the Lanham Act, represents the closest counterpart to the UDRP in U.S. trademark law, and courts and UDRP panels alike may well be tempted to rely upon findings made under the corresponding regime. Nevertheless, there are significant differences even between the ACPA and the UDRP.⁸² For example, the ACPA covers only “famous” and “distinctive” marks,⁸³ while the UDRP applies to any trademark.⁸⁴ The ACPA applies to registration, trafficking, or use of a domain name,⁸⁵ while the UDRP requires both registration and use.⁸⁶ Furthermore, the ACPA requires a “bad faith intent to profit,”⁸⁷ while the UDRP merely requires bad faith.⁸⁸

Finally, a key substantive difference between the UDRP and legal proceedings lies in the fact that the UDRP is inherently international, or perhaps “anational”⁸⁹—UDRP panels base their

Hold. Corp. v. Faber, 29 F. Supp. 2d 1161, 1165–66 & n.2 (C.D. Cal. 1998) (applying *Sleekcraft* factors and concluding that Web site entitled “Bally sucks” was not likely to be confused with Bally trademarks, while noting in dictum that even “ballysucks.com” would not be likely to cause confusion). On the other hand, some of the UDRP decisions have actually considered the *Sleekcraft* factors and nonetheless found confusing similarity, see, e.g., Diageo PLC v. Zuccarini, No. D2000-0996 (WIPO Oct. 22, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0996.html>; Wal-Mart Stores, Inc. v. Walsucks, No. D2000-0477 (WIPO July 20, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0477.html>, so perhaps the explanation lies elsewhere.

⁷⁹ See 15 U.S.C. §§ 1125(c)(1), 1127 (1994 & Supp. 1999).

⁸⁰ Under paragraph 4(c)(iii) of the UDRP, a domain name registrant possesses legitimate interests in a domain name if the registrant is “making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.” *ICANN Policy*, *supra* note 2, ¶4(c)(iii); see also ICANN, *Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy*, *supra* note 65, ¶ 4.6 & n.2.

⁸¹ Pub. L. No. 106-113, title III, 113 Stat. 1501A-545 (1999) (codified at 15 U.S.C. §§ 1114, 1116, 1117, 1125, 1127, 1129 (1994 & Supp. 1999)).

⁸² See generally Osborn, *supra* note 40.

⁸³ See 15 U.S.C. § 1125(d)(1)(A)(ii) (1994 & Supp. 1999).

⁸⁴ See *ICANN Policy*, *supra* note 2, ¶ 4(a)(i) (“[A] trademark or service mark in which the complainant has rights . . .”).

⁸⁵ See 15 U.S.C. § 1125(d)(1)(A)(ii) (1994 & Supp. 1999).

⁸⁶ See *ICANN Policy*, *supra* note 2, ¶ 4(a)(iii).

⁸⁷ See 15 U.S.C. §§ 1125(d)(1)(A)(i), 1125(d)(1)(B) (1994 & Supp. 1999).

⁸⁸ See *ICANN Policy*, *supra* note 2, ¶¶ 4(a)(iii), 4(b).

⁸⁹ See Laurence R. Helfer, *International Dispute Settlement at the Trademark-Domain*

decisions on the policy itself, occasionally exercising their discretion to consider legal rules of one or more jurisdictions that seem relevant—while courts apply national or local laws, using formalized choice of law rules to determine what law to apply.⁹⁰

V. PROCEDURAL CONCERNS

While the substantive differences between UDRP and legal proceedings are far from trivial, the strongest arguments against a deferential standard of review are procedural in nature. De novo judicial review is consistent with parties' expectations and the intent of the UDRP, it promotes reliability and validity of outcomes, and most important, it is essential to ensure fairness and due process.

The UDRP itself clearly contemplates that parties may initiate parallel legal proceedings,⁹¹ as the *Weber* and *Parisi* courts noted,⁹² and specifically provides that an order is not to be implemented if either party files a lawsuit challenging the order.⁹³ Just as a provision for expanded judicial review may encourage parties to agree to arbitration in other contexts,⁹⁴ the availability of parallel legal proceedings may encourage domain name disputants to submit to the UDRP process.⁹⁵ Furthermore, the case for reviewability is much stronger for UDRP decisions than it is for conventional arbitration awards. Unlike conventional arbitration, the UDRP is not meant to replace litigation, but merely to provide an additional forum for

Name Interface, 29 PEPP. L. REV. (forthcoming 2002) (manuscript at 2 & n.5), available at <http://papers.ssm.com> (search by title and author's name; article is available for downloading in pdf format).

⁹⁰ See Elizabeth G. Thornburg, *Going Private: Technology, Due Process, and Internet Dispute Resolution*, 34 U.C. DAVIS L. REV. 151, 214 (2000) (noting that UDRP panels are developing a "law of ICANN separate and apart from the law of any country or from any international treaty.").

⁹¹ See, e.g., *ICANN Policy*, *supra* note 2, ¶ 4(k); *ICANN Rules*, *supra* note 24, ¶¶ 3(xiii), 18.

⁹² See *Weber-Stephen Prods. Co. v. Armitage Hardware & Bldg. Supply*, 54 U.S.P.Q.2d 1766, 1767 (N.D. Ill. 2000); *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745, 751 (E.D. Va. 2001).

⁹³ See, e.g., *ICANN Policy*, *supra* note 2, ¶ 4(k); see also *supra* text accompanying note 36.

⁹⁴ See *supra* text accompanying note 19.

⁹⁵ Trademark owners are not bound to use the UDRP process, but they are much more likely to do so than they would be if they were required to waive legal rights as a condition of filing a UDRP complaint. Similarly, although domain name registrants are bound by contract to participate in UDRP proceedings, the availability of effective judicial review reduces their incentive to attempt to pre-empt UDRP proceedings by filing suit, as did the domain name registrant in *Weber*.

dispute resolution, with an explicit right of appeal to the courts.⁹⁶ To deny parties the right to effective judicial review would frustrate their intentions and deprive them of an essential benefit of their contract.

The UDRP by design is a streamlined method of resolving disputes quickly and inexpensively.⁹⁷ This streamlining, though, comes at a cost: at least some degree of reliability and validity is sacrificed.⁹⁸ The parallel legal proceedings contemplated by the UDRP are designed to mitigate the effects of this trade-off, but that purpose would be defeated if courts were to defer to the conclusions of UDRP panels. Furthermore, given the constraints of the UDRP process, a court is in a much better position than a UDRP panel to weigh evidence and assess credibility,⁹⁹ so judicial deference makes little sense even on pure questions of fact.

Another procedural concern relates to the precedential role of UDRP decisions.¹⁰⁰ To some extent it seems desirable for panels to follow principles articulated in prior decisions: at the very least, this practice tends to promote consistency and predictability, while decreasing incentives for forum shopping. On the other hand, many of the decisions being relied upon as precedent involve controversial rulings by sole panelists in default cases, often reaching results that are inconsistent with other decisions or with the UDRP itself.¹⁰¹

⁹⁶ See Osborn, *supra* note 40, at 237–42 (describing UDRP proceedings and ACPA litigation as complementary tactics for trademark owners).

⁹⁷ See Helfer, *supra* note 89 (manuscript at 4) (describing UDRP as “simple, cheap, quick, and easily accessible by parties located anywhere in the world”); see *supra* text accompanying notes 39–40.

⁹⁸ See, e.g., Thornburg, *supra* note 90, at 205 (noting that in disputed cases, “[T]he lack of a hearing can distort the fact finding process.”); cf. Hochman, *supra* note 8, at 106 (noting that some parties intentionally forego the higher quality of the judicial system in order to avoid delay and expense).

⁹⁹ See Froomkin, *supra* note 20, at 100 (noting that “a summary procedure, in which each side has only one submission, and in which there is neither testimony, cross-examination, briefing, nor argument cannot by itself hope to make reliable credibility determinations or sort out complex competing claims.”).

¹⁰⁰ See, e.g., Thornburg, *supra* note 90, at 213–14 (noting that panelists have begun to cite to prior UDRP decisions).

¹⁰¹ See Carl Oppedahl, *Considerations for Innocent Domain Name Owners*, Oppedahl & Larson LLP Patent Law Web Server, at <http://www.patents.com/dno.htm> (last visited Nov. 15, 2001) (noting that, “Most of the ‘howler’ UDRP decisions . . . were from one-person panels.”). The “inaction doctrine” that enables a panel to find bad faith use of a domain name in “passive warehousing” cases (i.e., where the registrant’s only overt act is the initial registration of the domain name) was first applied in *Telstra Corp. v. Nuclear Marshmallows*, No. D2000-0003 (WIPO Feb. 18, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0003.html>. See also White, *supra* note 41, at 242. The domain name registrant in *Telstra* did not submit a response, and the decision was rendered by a sole panelist. *Telstra* has been cited for this proposition in numerous subsequent UDRP decisions. See ICANN, *Search Decisions in*

Absent an appellate forum with the ability to reconcile inconsistent decisions, this situation likely will persist, and reliance upon UDRP decisions as precedent will remain problematic.¹⁰²

Much of the criticism of the UDRP process includes claims of bias on the part of panelists or dispute resolution service providers.¹⁰³ Courts obviously should disregard findings made by biased decisionmakers, but the extent of bias in UDRP process may well be exaggerated. However, it is clear that panelists' qualifications can affect UDRP decisions, a phenomenon that is evident from a comparison of decisions authored by the National Arbitration Forum's retired judges, the World Intellectual Property Organization's trademark attorneys, and eResolution's law professors.¹⁰⁴ Courts can address these issues, while gaining public confidence and ensuring the integrity of their own decisions, simply by applying de novo review to rulings of UDRP panels. Effective judicial review also would render panelists more accountable, serving as a check on any potential bias.¹⁰⁵

Proceedings under the Uniform Domain-Name Dispute-Resolution Policy, at <http://www.icann.org/udrp/udrpdec.htm> (search for "d2000-0003") (last visited Nov. 16, 2001).

¹⁰² In this respect, reliance on UDRP decisions as precedent is rather like reliance upon canons of statutory construction, it is frequently possible to find contradictory authority on both sides of a given proposition. See generally Karl N. Llewellyn, *Remarks on the Theory of Appellate Decision and the Rules or Canons About How Statutes Are to Be Construed*, 3 VAND. L. REV. 395 (1951). For example: mere speculation in domain names is insufficient to create a legitimate interest in a domain name, *Libro AG v. NA Global Link Ltd.*, No. D2000-0186 (WIPO May 16, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0186.html>, but a legitimate interest can be found based upon the offering for sale of a domain name, see *Phillips Int'l, Inc. v. Tella*, No. FA0008000095461 (NAF Sept. 21, 2000), at <http://www.arbforum.com/domains/decisions/95461.htm>; *Allocation Network GmbH v. Gregory*, No. D2000-0016 (WIPO Mar. 24, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/2000/d2000-0016.html> (registration of a domain name without performing a trademark search can constitute bad faith registration). Failure to perform a trademark search does not constitute bad faith. See *FormLinc Info. v. Credit Suisse Group*, No. FA0102000096750 (NAF Apr. 25, 2001), at <http://www.arbforum.com/domains/decisions/96750.htm>. The UDRP requires both registration and use of a domain name in bad faith, *World Wrestling Fed'n Entm't, Inc. v. Bosman*, No. D99-0001 (WIPO Jan. 14, 2000), at <http://arbitrator.wipo.int/domains/decisions/html/1999/d1999-0001.html>, but bad faith non-use can be sufficient, *Phillips Int'l, Inc. v. Tella*, *supra*.

¹⁰³ See, e.g., *Mueller*, *supra* note 24, at 26; *Froomkin*, *supra* note 20, at 98, 136; *Livingston*, *supra* note 44; *Brian McWilliams, Was Madonna.com Decision Rigged?*, INTERNETNEWS.COM, Oct. 17, 2000, at http://www.internetnews.com/business/article/0,,3_487271,00.html.

¹⁰⁴ This is, of course, somewhat of an overgeneralization, as are the accompanying descriptions of the providers' prototypical panelists, but it is not entirely inaccurate. See *Thornburg*, *supra* note 90, at 209; see also *supra* notes 24 & 33.

¹⁰⁵ See *supra* text accompanying notes 18-19.

Finally, though the UDRP was intended to balance the interests of trademark owners with those of domain name registrants, in practice it is quite unbalanced, and it fails to afford parties the due process protections they would have in a legal proceeding.¹⁰⁶ UDRP proceedings are voluntary for trademark owners but mandatory for domain name registrants.¹⁰⁷ (They are mandatory not because registrants have chosen to participate in mandatory dispute resolution, but rather by virtue of an adhesion contract: all ICANN-approved domain name registrars impose an identical requirement.¹⁰⁸) The trademark owner selects the timing and the provider, and has a much greater influence than the domain name registrant over the selection of the panel as well.¹⁰⁹ A losing trademark owner can seek a legal remedy at leisure, as an adverse award merely maintains the status quo. A losing domain name registrant, on the other hand, has only ten business days after the decision (and quite possibly less than two months after receiving the initial notice of the dispute) to prepare and file a lawsuit, possibly in a remote jurisdiction, in order to prevent the immediate loss of its domain name.¹¹⁰ The “parity of appeal”

¹⁰⁶ See *Heathmount A.E. Corp. v. Technodome.com*, 106 F. Supp. 2d 860 (E.D. Va. 2000) (concluding that UDRP proceedings are “not an adequate substitute” for court proceedings, in part because they lack procedural safeguards), available at <http://dnlr.com/reporter/technodome>.

¹⁰⁷ See *supra* text accompanying note 37.

¹⁰⁸ See *supra* text accompanying notes 17 & 23.

¹⁰⁹ See Froomkin, *supra* note 20, at 98–99 & n.355. Professor Froomkin summarizes the due process problems faced by domain name registrants:

ICANN’s arbitration rules—which all ICANN approved arbitration providers are required to follow—do not require that respondents receive actual notice of a complaint. While a system that provides for substituted service is consistent with due process, minimal due process requires serious attempts to achieve actual notice before proceeding with the substitute. A related problem arises because the time allowed for a response is so short. In theory, both complainant and respondent each only get to file one set of papers with the arbitral tribunal. But the complainant gets to work on his pleading as long as he wishes, collect the relevant exhibits, and file when it suits him. The respondent has to answer in twenty days or essentially forfeit the case. What is more, the twenty-day clock to file a response starts ticking as soon as notice is mailed and e-mailed. Other than extraordinary cases, which are entirely at the discretion of the arbitrator, there is no procedure to provide extensions of time to a respondent who receives the notice late. While this schedule might be reasonable for business-to-business arbitration, it clearly is not reasonable in all situations; indeed, it is inconsistent with due process for a system in which many respondents will be ordinary people—people who take vacations without laptops or do not routinely read their e-mail. The opportunity to be heard is fundamental to due process. The UDRP does not ensure that basic right.

Id. at 136–37 (citations omitted).

¹¹⁰ See *id.* at 137–38.

contemplated by the UDRP¹¹¹ clearly does not exist in reality, but de novo review of UDRP decisions would help reduce the imbalance.

V. CONCLUSION

Judicial deference to UDRP panel decisions invites serious substantive and procedural objections. Even on mere factual determinations, where deference ordinarily seems most warranted, courts clearly are more capable of making accurate and informed findings than are UDRP panels, and justice demands that courts exercise independent judgment in such circumstances.

The UDRP process is novel, complex, and still relatively untested. Its very legitimacy (as well as the legitimacy of its architect, ICANN) is the subject of heated controversy.¹¹² Even discounting such concerns, though, the availability of parallel litigation and effective judicial review is a critical element of the UDRP by its very design. De novo review is consistent with the purposes of the UDRP and is needed to ensure fairness and due process.

¹¹¹ See ICANN, *Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy*, *supra* note 65, ¶¶ 4.7, 4.8; *Parisi v. NetLearning, Inc.*, 139 F. Supp. 2d 745, 752 (E.D. Va. 2001) (citing the *Second Staff Report*).

¹¹² See, e.g., Froomkin, *supra* note 20; Weinberg, *supra* note 20; Helfer, *supra* note 89.

