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ARE WE GETTING GOOD DECISIONS BY TOP-LEVEL DOMAIN NAME DISPUTE RESOLUTION PROVIDERS?¹

by

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Internet Corporation for Assigned Names and Numbers (ICANN) offered a unique solution to deal with disputes regarding the registration of internet domain names (the so called trademark dilemma) in 1999. Uniform domain name Dispute Resolution Policy (UDRP) delimits procedural rules to solve such disputes and to create non-binding decisions (binding between involved parties) which approve/reject the transfer of domain names to new (trademark) owners.

This paper focuses on the question of whether we are getting good decisions or whether decisions in similar cases are decided more or less randomly. It is also necessary to focus on such a question because of the fact that ICANN is planned to be transferred to the global multi-stakeholder community this year. Is the decision-making process ready for such a big change or is it easily malleable? To try to answer this question it will be necessary to go through the history and activities of ICANN and to focus mainly on the UDRP process. Comparison of relevant trademark dilemma cases or statistics will try to show defects of the rules, which are pointing at problems not only recently but already occurring for quite a long time.

The conclusion then is to articulate possible future development and to offer some recommendations of what it is necessary to pay attention to.

KEY WORDS

Domain name, online dispute resolution, ICANN, UDRP

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1. INTRODUCTION

Internet Corporation for Assigned Names and Numbers (ICANN) “is a not-for-profit public-benefit corporation with participants from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet’s unique identifiers. Through its coordination role of the Internet’s naming system, it does have an important impact on the expansion and evolution of the Internet.”² It is a non-profit governmental organization established in the United States of America on 18 September 1998. The main purpose was to oversee many things related to the newly born Internet.³ The main activity of ICANN nowadays is focused on administration and development of the Domain Name System (DNS); it secures root name servers as well.⁴ As progress quickly continued, ICANN introduced new generic top-level domain names (g-TLD). It decided in 2012 that the set of “classical” domain names is unsatisfactory,⁵ thus it offered new types of domain name endings which would grant customers better adaptation of the domain to their businesses.⁶ The process “allows an applicant to self-select a g-TLD and then be responsible for registering second-level domain names. The initiative represents a significant expansion of available g-TLDs [...] This is a pivotal point in ICANN’s development and how it manages the expansion will either highlight the strengths or expose the flaws in the nature of multi-stakeholder Internet governance.”⁷

² ICANN, *Get Started*, viewed 20 January 2015, <<https://www.icann.org/get-started>>.

³ These activities were formerly managed by other organizations, such as Internet Assigned Numbers Authority (IANA).

⁴ Such servers can be simply seen as the first gate to locate the servers, where the information from top-level domains are located. Root name servers can be seen as the first step in translation of domain name into IP address.

⁵ Up until now it was possible to choose “only” from 22 domain names such as .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel and .travel. However, nowadays, it is possible to choose from hundreds of them, such as .shop, .film, .app or .online. The full list can be seen here: United Domains, *New Domains. New Opportunities.*, viewed 20 January 2015, <<https://www.uniteddomains.com/ntld/pre-register-new-domains/>>.

⁶ “Akram Atallah, president of ICANN’s Generic Domains Division, said that adding these hundreds of new gTLDs is the biggest change to the Internet since its inception. And, that these will be bringing people, communities and businesses together in ways we never imagined. It’s this type of innovation that will continue to drive our global society.”

Vaughan-Nichols, SJ 2014, ‘Ready or not, here come the new Internet top-level domain names’, *ZDNet*, 29 January, viewed 20 January 2015, <<http://www.zdnet.com/article/ready-or-not-here-come-the-new-internet-top-level-domain-names/>>.

⁷ Catherine, RE 2012, ‘ICANN’s core principles and the expansion of generic top-level domain names’, *Int J Law Info Tech*, vol. 20, p. 273.

The main aim of this article is, however, to focus on the Uniform Domain Name Dispute Resolution Policy process,⁸ which solves disputes between domain-name registrants and trademark owners arising from cases concerning domain names that are similar (or confusingly similar) to those of trademark owners or where registrants do not have any legitimate interest or are using the domain-name in bad faith (a so called trademark dilemma or cybersquatting).⁹ The UDRP¹⁰ is limited and it cannot award any other remedy than transfer or cancellation of the domain name.¹¹

As it is private decision making, it is beneficial to go through chosen cases to reveal the level of certainty and cohesiveness, which highly influences the belief in domain name dispute resolution, system and the whole Internet. Such analysis is important because of the future development of ICANN, if it is ready to be transferred to the global multi-stakeholder community this year.

2. REPRESENTATIVE PROBLEMATIC ASPECTS OF THE UDRP

The scope described above is the only one where the UDRP can operate.¹² The registrant of a domain name agrees with the UDRP process the moment the contract between the registrant and ICANN is concluded. Agreeing on the UDRP “implemented by a chain of the contracts”¹³ is not voluntary because ICANN, as the only online regulator in specific field of top-level domain names, does not offer any other possibility to solve disputes. The decision is however binding only between the contractual parties, and it does not establish the effect of *res judicata*, thus the character of such

⁸ UDRP process, which was adopted under ICANN, is dealing with generic top level domain names ending with .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel, .travel and .xxx. On the voluntary basis it can be, however, used for country-code domain name dispute resolution. The process is used e.g. for domain names .au, .ch, .ie, .nl or .pl. To see the full list: WIPO, *Domain Name Dispute Resolution Service for country code top level domains (ccTLDs)*, viewed 21 January 2015, <<http://www.wipo.int/amc/en/domains/cctld/>>.

⁹ The main aim of such rules was to fight with cybersquatting. This negative phenomenon can be described as registration of the domain name in bad faith which seeks to gain monetary profit from “name” of trademark owner.

¹⁰ Surprisingly it took quite a long time to fully admit e-filing of the complaint. “As of March 1, 2010, WIPO UDRP Parties must file Complaints (or Responses) including all annexes solely by electronic format.” Before that date, e-filing was only the possibility, and during the history of the UDRP all the process was primarily held in paper based form. To see more: WIPO, *Filing Your UDRP Complaint with WIPO in Electronic Form Only (eUDRP)*, viewed 21 January 2015, <<http://www.wipo.int/amc/en/domains/complainant/>>.

¹¹ ICANN, paragraph 4 (i), *Uniform Domain Name Dispute Resolution Policy*, viewed 1 January 2015, <<http://www.icann.org/en/dndr/udrp/policy.htm>>.

¹² ICANN, paragraph 4 (b), *Uniform Domain Name Dispute Resolution Policy*, viewed 1 January 2015, <<http://www.icann.org/en/dndr/udrp/policy.htm>>.

¹³ *Storey v Cello Holdings LLC (2003)*, 347 3Fd370, 381 (2nd Cir NY 2003).

decision making is non-binding (non-binding dispute resolution) and self-enforceable. This fact was supported by the *Storey v Cello Holdings LLC* case, where the court also concluded that it is forbidden to prevent parties filing their case at courts just because of the fact that a case has been already decided in UDRP proceedings.¹⁴ If such dispute is decided by the court, it is however usual that a case will conclude in the similar way as it was argued during the UDRP process. If the parties agree on a UDRP decision, ICANN then re-registers the domain name to the entitled trademark owner. However, if the parties are not motivated to solve their domain name dispute quickly and effectively it can lead to the obstructions of the UDRP process.¹⁵

2.1 LANGUAGE OF PROCEEDINGS

The language of the proceedings shall be the same as “the language of the Registration Agreement, [...] unless otherwise agreed by the Parties, or specified otherwise in the Registration Agreement.”¹⁶ However the situation is not as clear as it could appear on the basis of the Rules for Uniform Domain Name Dispute Resolution Policy (“the Rules”). The registration agreement in the case *Ets Leobert, SARL v. Jeonggon Seo*¹⁷ was written in Korean. However the Panel had decided that the proceedings should be held bilingually because this would raise the comfort of the

¹⁴ The panel referred also to paragraph 4 (k) of the UDRP, where it is explicitly said that “the mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded.” The parties are able to file the lawsuit at the court in ten-day period. They have to provide official documentation to prevent implementation of UDRP decision. This is however generally not recommended solution, because of much higher expenses and also because of frequent international character of the dispute.

ICANN, paragraph 4 (k), *Uniform Domain Name Dispute Resolution Policy*, viewed 1 January 2015, <<http://www.icann.org/en/dndr/udrp/policy.htm>>.

¹⁵ This happened in the case *Two Way NV/SA v. Moniker Privacy Services, LLC: Domain Administrator*. Case No. D2012-2413. WIPO Arbitration and Mediation Center. Firstly the respondent had registered the domain www.yu.com. Then the complainant started to develop mobile application, he had registered “yu” trademark and then filed the complaint that the domain name is registered in bad faith. As the registration of a domain name is based on the principle of first come-first served, it was quite certain that the complaint would not be successful. As the complainant understood that he would not win the case, he tried to disqualify the panellists (and he partly succeeded). He did this because of the obstructions but also because of the fact that a panel decision has higher probability to decide in favour of the complainant. The panel denied the complaint and made no finding of reverse domain name hijacking, however such procedure had significantly decelerate whole UDRP process.

¹⁶ ICANN, rule 11, *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 22 January 2015, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>.

¹⁷ *Ets Leobert, SARL v. Jeonggon Seo: Administrative Panel Decision*, Case No. D2009-0004. WIPO Arbitration and Mediation Center.

parties. Finally one Korean speaking panellist was appointed in the main proceedings of the case.

On the other hand in the case *LEGO Juris A/S v. Linecom*,¹⁸ Lego filed the complaint in English, even though the registration agreement was in Korean. The proceedings were held in English, which was supported mainly by the argument that the Korean domain name holder understood English because the domain name consisted of English words (www.mindstormslego.com). The Panel possibly could have decided to appoint one Korean panellist (as happened in the previously mentioned case). It could also have decided to have bilingual proceedings at least (or just Korean proceedings) because it is surely more probable that Lego Company would be able to understand Korean than an “average” Korean resident would be able understand English. None of this, however, happened.

English definitely has a “special” position in UDRP proceedings, and difficult questions connected with the language of proceedings can arise. The Rules and the policy itself are however available in all United Nations’ official languages (Arabic, Chinese, English, French, Russian and Spanish).

2.2 THE PANEL – APPOINTMENT, BIAS AND FORUM SHOPPING

The UDRP process is criticized in the context of appointment of panellists. The parties can agree that a domain name dispute will be decided by a single-member panel. In this case the panellist is appointed by the UDRP provider, thus the parties have no opportunity to influence the appointment of the panellist. If the parties agree on a three-member panel then they are somehow able to choose the panellists. The parties offer a list of three candidates; the provider chooses one from each list. The third panellist is chosen by the parties from the list of five possible candidates – each of the parties excludes two of those candidates – and the last one is then appointed by the provider as the third panellist.¹⁹ From the above, there is a partial imbalance between appointing a one-member panel (the parties cannot influence who will be the panellist) and a three-member panel (the parties can partly influence the composition of the panel).

One of the aspects is connected with possible bias of the panellists. The main problem of impartiality and independence cannot be seen in the

¹⁸ *LEGO Juris A/S v. Linecom*: Administrative Panel Decision, Case No. D2012-2068, WIPO Arbitration and Mediation Center.

¹⁹ ICANN, rule 3 (b) (iv), 5 (b) (iv) and (6), *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 26 January 2015, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>

question whether the particular panellist is biased or not;²⁰ the mechanisms to exclude him or her are sufficiently incorporated in the Rules.²¹ The main question is connected with professional focus of the panellists, as it is mentioned by Hörnle. "If all panellists were practising trademark lawyers representing trademark owners' interests in their professional capacity, carrying out their 'day' job, it could be concluded that such panel composition is indicative for systemic bias, even if the individual panellist cannot be shown to be biased."²² Most of the panellists are trademark practitioners,^{23,24} thus their decision making could incline on the side of the trademark owners in specific cases where there is doubtful legal interest.

Another question connected with decision making should be raised in the case of possible forum shopping – deciding the case by different UDRP providers in connection to complainant winning rates – or choosing between one- or three-member panels. Both situations can possibly influence the degree of success of the case decision.

Geist in his study examined the ratio of disputes won by the complainant in the case of one-member panels and three-member panels.²⁵ He concluded that the three-member panel provides a wider divergence of views (because of the higher number of panellists), which logically leads to the lower probability of complainants to win the case. The complainant winning ratio in the cases decided by one-member panels is about 83%, and in the cases decided by three-member panels about 58%.²⁶ This contrast is

²⁰ This question has been answered complacently before. It was specified that the impartiality and independence of the panellist cannot be just hypothetical. "A party challenging a panellist's appointment must present specific evidence showing that a panellist may be biased. Moreover, it is not sufficient if such evidence creates some hint, insinuation or innuendo of doubt; rather the evidence must show 'justifiable doubt' - that is, that a reasonable, objective person would be justified in doubting the panellist's impartiality after consideration of the proffered evidence."

Britannia Building Society v. Britannia Fraud Prevention: Administrative Panel Decision, Case No. D2001-0505, WIPO Arbitration and Mediation Center.

²¹ ICANN, rule 7, *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 26 January 2015, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>.

²² Hörnle, J 2009, *Cross – border Internet Dispute Resolution*, 1st ed. Cambridge University Press, Cambridge, p 193.

²³ *Ibid.*, p 194.

²⁴ WIPO, *WIPO Domain Name Panelists, Uniform Domain Name Dispute Resolution Policy*, viewed 20 January 2015, <<http://www.wipo.int/amc/en/domains/panel/panelists.html>>.

²⁵ GEIST, M 2002, 'Fair.com? An examination of the Allegations of Systemic Unfairness in ICANN UDRP', *Brooklyn Journal of International Law*, vol. 27, viewed 20 January 2015, <<http://aix1.uottawa.ca/~geist/geistudrp.pdf>>.

²⁶ Such allocation of the cases has not changed much over time. It is confirmed that during the existence of UDRP rules, one-member panels had transferred the domain name in 87% (winning rate of the case) and three- member panels had transferred it only in 57% of decided domain name cases.

The Uniform Domain Name Dispute Resolution Policy and WIPO, viewed 27 January 2015, <<http://www.wipo.int/export/sites/www/amc/en/docs/wipointaudrp.pdf>>.

however also caused by the registration fee paid to decide the case, which is in the case of three-member-panel decisions more than two times higher.²⁷ The decision-making process is slowed down in the case of three-member panel as well. Such dichotomy in decision making influences the strategy of the parties and leads to possible “panel-choosing” shopping.²⁸ “The single panels have the best outcome for the respondent [...] The number of three-panel cases remains at about 10 per cent of all cases. Contrary to expectations, complainants have requested three-member panels more often than respondents. The default rate of the respondent remains significant at 24 per cent.”²⁹ It was however confirmed that, before any change of the Rules, “it is necessary to prove that single panellists are biased with something more than merely comparing decisions’ data.”³⁰ It can be also concluded that decision making of one panellist is somehow justified due to the reduction of the cost and, therefore, it is advisable to change the system of appointment of panellists. The introduction of supervision over the appointment of panellists would most probably lead to a reduction in the speed of the process; thus it appears to be inappropriate.³¹

Another concern can be seen in the case of forum shopping, or choosing a different UDRP provider on the basis of complainant win rates. Such a worry was first mentioned by Mueller in his study.³² His main criticism is focused on possible bias of the World Intellectual Property Organization (WIPO) and the National Arbitration Forum (NAF) against the respondent. “ICANN allows the challenger to select the dispute resolution service

²⁷ When there is one to five domain names included in the complaint, the price to decide the case is 4.000 \$.

WIPO, Schedule of Fees under the UDRP (valid as of December 1, 2002), viewed 26 January 2015, <<http://www.wipo.int/amc/en/domains/fees/>>

²⁸ This was also confirmed here: Hye Cho, S 2009, 'International Commercial Online Dispute Resolution: Just Procedure Through the Internet', *ProQuest*, p. 112.

²⁹ Sweighofer, E 2001, 'A Review of the Uniform Domain Name Dispute Resolution of the Internet Cooperation for Assigned Names and Numbers (ICANN)', *Austrian Review of International and European Law*, vol. 6, p. 119.

³⁰ Cortés Diéguez, JP 2008, 'An Analysis of the UDRP Experience: Is it Time for Reform?', *Computer Law and Security Report*, vol. 24, no. 4, p. 10.

³¹ These conclusions were also confirmed by e.g.:

Hörmle, J 2009. 'Cross – border Internet Dispute Resolution', 1st ed., *Cambridge University Press*, Cambridge, p. 194.

Sweighofer, EA 2001, 'Review of the Uniform Domain Name Dispute Resolution of the Internet Cooperation for Assigned Names and Numbers (ICANN)', *Austrian Review of International and European Law*, vol. 6, p. 119.

³² Mueller also points out “really bad decisions”, which were decided mainly in favour of the complainant even though the trademark of the owner was not confusingly similar to the domain name. For example, the trademark “Tata & Sons” was decided as confusingly similar to the domain name www.bodacious-tats.com.

Mueller, M 2014, *Rough Justice: An Analysis of ICANN's Uniform Dispute Resolution Policy*, viewed 27 January 2015, p. 23, <<http://ccent.syr.edu/wp-content/uploads/2014/05/roughjustice.pdf>>.

provider. There is statistical evidence that selection of dispute resolution service providers by challengers leads to forum shopping that biases the results. There are major differences among arbitration providers in the ratio of successful to unsuccessful challenges. In terms of decision outcomes, WIPO and NAF are the most complainant-friendly providers and eResolution is the most defendant friendly. Both NAF and WIPO tend to interpret the UDRP in ways that favour trademark holders over other Internet users, whereas eResolution decisions tend to adhere more closely to the strict language of the policy. WIPO and NAF attract the largest number of complaints (61% and 31%, respectively); eResolution attracts the lowest share of cases (7%).³³ It is, however, necessary to mention that Canadian eResolution does not operate anymore because of the much lower probability to win the case using the UDRP.³⁴ This has probably led to the bankruptcy of the provider.³⁵ It is a fact that the providers are chosen on the basis of international reputation, and they have all offered effective solutions to deal with trademark dilemmas. It should also be borne in mind that the main purpose of the UDRP and the provider is to deal with abusive cases.³⁶

Hypothetically we can think also about intentional delay of the transfer of the domain name by seeking court redress proceedings.³⁷ However, the main purpose of such an option serves the complainant to decide if he or she prefers the UDRP process or court proceedings. Such a situation in praxis should not be misused by the respondent—a possible cybersquatter—because then he or she is hardly entitled to have the right of action as the holder of the domain name. It is, however, possible to file a case by a complete stranger who would be faster than the trademark owner to block whole proceedings and by such procedure it will take more time to deal with the proper legal action and domain name transfer of trademark owner.

³³ Ibid., p. 16.

³⁴ Complainant win percentage was 82% in the case of WIPO, 81% in the case of NAF and only 51% in the case of eResolution.

Ibid., p. 16.

³⁵ eResolution had stopped to offer its services in 2001. It “has quit the business, accusing its main rival, the World Intellectual Property Organisation (WIPO), of ‘tilting’ the Uniform Dispute Resolution Policy (UDRP) process in its favour.”

McCarthy, K 2001, *eResolution quits domain arbitration: Blames WIPO*, viewed 27 January 2015, <http://www.theregister.co.uk/2001/12/04/eresolution_quits_domain_arbitration/>.

The list of current approved providers can be seen here: ICANN, *List of Approved Dispute Resolution Service Providers*, viewed 27 January 2015, <<https://www.icann.org/resources/pages/providers-6d-2012-02-25-en>>.

³⁶ Cortés Diéguez, JP 2008, ‘An Analysis of the UDRP Experience: Is it Time for Reform?’, *Computer Law and Security Report*, vol. 24, no. 4, p. 8.

³⁷ ICANN, paragraph 4 (k), *Uniform Domain Name Dispute Resolution Policy*, viewed 21 January 2015, <<http://www.icann.org/en/dndr/udrp/policy.htm>>.

2.3 LIMITATIONS OF THE PROCEEDINGS

The UDRP is also limited by procedural restrictions (which are on the other hand making the decision making process faster), such as limitations of further statements,³⁸ online hearings³⁹ or word limits.⁴⁰ The limitations are also generally connected with time with the purpose of speeding up the deciding of the case. The time limit given to fill in the response by the respondent is twenty days. There is, however, the possibility to extend this time in “exceptional cases.”⁴¹

The above stated limitations are strongly criticized for benefiting the complainant.⁴² Those restrictions along with the fact that the parties are not treated equally could cause unfairness in the process. On the other hand, it is still fully agreed by the parties to follow up the process. Speed and the above stated limitations are crucial aspects of deciding trademark dilemmas. Removing the limitations would not bring a higher level of fairness, and slowing down the process would erase the main advantages and benefits of the UDRP process.

2.4 PRECEDENT?

The UDRP does not operate on a doctrine of precedent. “Panels consider it desirable that their decisions are consistent with prior panel decisions

³⁸ ICANN, rule 12, *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 26 January 2015, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>.

This possibility is used very rarely. It was asked for further evidence in the case *Astro - Med, Inc. v. Merry Christmas Everyone! and B. Evans*: Administrative Panel Decision, Case No. D2000-0072, WIPO Arbitration and Mediation Center. However there is nothing said by the Rules, if it is possible to submit statements by parties, which was mentioned in *Classmates Online, Inc. v. John Zuccarini*, individually and dba *RaveClub Berlin*: Administrative Panel Decision, Case No. D2002-0635, WIPO Arbitration and Mediation Center.

³⁹ ICANN, rule 13, *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 26 January 2015, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>.

However the online hearing is possible in the cases of an exceptional matter. As an example, the request for a hearing was rejected in the case *FabJob Inc. v. Compana LLC*: Administrative Panel Decision, Case No. D2006-0610, WIPO Arbitration and Mediation Center. In that case the party requested the videoconference hearing with the witness under the oath.

⁴⁰ UDRP, paragraph 13, *CAC's UDRP Supplemental Rules of the Czech Arbitration Court*, viewed 23 February 2015, <http://udrp.adr.eu/arbitration_platform/udrp_supplemental_rules.php>.

The limitation of 5000 words shall apply for the complaints and responses. In the *Giga Pty Limited v. Elena Sadkovaya*: Administrative Panel Decision, Case No. D2005-0976, WIPO Arbitration and Mediation Center, it was insisted to follow the limit, yet in the case *Donald J. Trump v. Mediaking LLC d/b/a Mediaking Corporation and Aaftek Domain Corp.*: Administrative Panel Decision, Case No. D2010-1404, WIPO Arbitration and Mediation Center the limit was exceeded, but it was solved anyway. Yet it was stated that the court considered only main stated arguments.

⁴¹ ICANN, rule 5 (a, d), *Rules for Uniform Domain Name Dispute Resolution Policy*, viewed 26 January 21 January, <<http://www.icann.org/en/udrp/udrp-rules-24oct99.htm>>.

⁴² The complainant can start the case whenever he wants; the respondent has only limited time to react on the complaint.

dealing with similar fact situations.”⁴³ This should ensure that the UDRP operates in a fair and predictable manner for all participants. Such approach is not that strict because, in the case *Classmates Online, Inc. v. John Zuccarini*, it was said that “to avoid any misunderstanding that the decision establishes a precedent, we call for caution and recommend to submit complete documentation...”⁴⁴ Cortés concluded that “it is not surprising that the lack of a strict doctrine of precedent [...] contributes in the creation of contradictory decisions and the subsequent confusion.”⁴⁵

The panellists usually support their decision with the reference to the previous cases, because it is highly desirable to maintain the principle of legal certainty in the decisions with similar fact basis. This means that the contradictory decisions and possible confusion should be eliminated⁴⁶ thus the criticism of non-precedential decision making is quite exaggerated. Giving UDRP decisions precedential effect⁴⁷ would however not change the aspect of certain liberty of the panellists in decision-making because of the fact that dissimilar lines of case law are and will be followed by different panels. It is necessary to think about the mechanisms which would sort out inconsistent decisions and secure consistency of decision making process especially because of the future changes.⁴⁸

⁴³ WIPO, *The Uniform Domain Name Dispute Resolution Policy and WIPO*, viewed 27 January 2015, p. 9, <<http://www.wipo.int/export/sites/www/amc/en/docs/wipointaudrp.pdf>>.

⁴⁴ The decision described the possibility to file further evidence.

Classmates Online, Inc. v. John Zuccarini, individually and dba RaveClub Berlin: Administrative Panel Decision, Case No. D2002-0635, WIPO Arbitration and Mediation Center.

⁴⁵ Cortés Diéguez, JP 2008, 'An Analysis of the UDRP Experience: Is it Time for Reform?', *Computer Law and Security Report*, vol. 24, no. 4, p. 15.

⁴⁶ World Intellectual Property Organization 2011, *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0")*, viewed 23 February 2015, <<http://www.wipo.int/amc/en/domains/search/overview2.0/#41>>.

⁴⁷ As suggested by: Kelley, PD 2002, 'Emerging Patterns in Arbitration Under the Uniform Domain-Name Dispute-Resolution Policy', *Berkley Tech Law Journal*, vol. 181, issue 1, pp. 13-18.

Moreover Woodard points out another issues connected with possible use of precedent in the UDRP. “The concept of binding precedent sounds compelling, but in practice it would be likely to add another complication for innocent respondents who would have little time to study existing precedent. Moreover, it seems unavoidable that complainants (and some savvy respondents) would tailor their arguments to fit within any such precedent, providing them an advantage over innocent respondents without the time or knowledge to do the same. Thus, it is at least arguable that any potential benefits of uniformity are outweighed by the potential disadvantages to innocent respondents.”

Woodard, EC 2009, 'The UDRP, ADR, and Arbitration: Using Proven Solutions to Address Perceived Problems with the UDRP', *Fordham Intellectual Property, Media and Entertainment Law Journal*, vol. 19, issue 4, p. 1201.

⁴⁸ Using the term precedent could also cause confusion because of the different legal approaches and terminology in different legal cultures (common law and continental law).

3. REACTION TO THE CRITICISM

It was repeatedly reported that the transnational character of domain name disputes cannot be decided on the basis of highly formalized rules. That is why the UDRP uses the set of rules which are less formalized and offer the possibility to choose different providers of domain name dispute resolution.

The 2002 study of the International Trademark Association was mainly focused on statistics concerning the fairness of the decision making process. "Bare statistics rarely provide a satisfactory measure of the fairness of a decision making process [...] However, complainant winning percentage rates, even with the exclusion of defaults, do not prove that the UDRP is unfair. Again, one would need to review the merits of individual cases and consider possible reasons other than bias, such as the fact that the UDRP is designed only for the most straightforward and egregious cases of cyber-piracy."⁴⁹ It is also concluded that the fact that the complainants prefer one of the providers more cannot be seen as the system being biased in favour of trademark holders. Complainants choose a particular provider (or forum) on the basis of various factors, which could be the costs of the decision, knowledge of the provider and its rules, reputation of the provider, geographic location, quality of the decisions or ability to follow time limits.⁵⁰ The conclusion concerning inferior quality of offered UDRP services based solely on the statistical data are not satisfactory.

"Decision-making authority under the Uniform Domain Name Dispute Resolution Policy and Rules (UDRP) lies exclusively with the appointed panels. To assist awareness of their views on certain questions that commonly arise in proceedings under the UDRP, the WIPO Arbitration and Mediation Center has produced the following update and extension of its informal overview of panel positions on key procedural and substantial issues."⁵¹ WIPO thus offered a very beneficial guide concerning particular questions which can arise in connection with the Rules and decision making process itself.

ICANN was dealing with the question of diversity of providers and the concerns of forum shopping. It concluded in the report that "one of the

⁴⁹ INTA Internet Committee 2002, *The UDRP by All Accounts Works Effectively. Rebuttal to Analysis and Conclusion of Professor Michaela Geist in "Fair.com?" and "Fundamentally Fair.com?"*, pp. 3-5, viewed 23 February 2015, <<http://www.inta.org/Advocacy/Documents/INTAUDRPSuccesscontraGeist.pdf>>.

⁵⁰ Ibid.

⁵¹ WIPO 2011, *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0")*, viewed 23 February 2015, <<http://www.wipo.int/amc/en/domains/search/overview2.0/#41>>.

expected benefits of the diversity of UDRP providers is to provide further choice to all who may invoke the UDRP, including issues of geography and language. UDRP providers are expected to perform to the standards set forth in the UDRP. So long as those standards are used, and the provider is adhering to the UDRP, the choice is appropriate to leave to a complainant as to which UDRP provider it wishes to use.”⁵²

The providers of UDRP service are improving the process to deal with interpretational problems of the Rules and the policy. It is, however, the fact that there is a “high amount of freedom given to panellists who can decide many issues on their own discretion. This creates two main problems: First, panellists do not use their discretion in the same way, consequently decisions are inconsistent. Second, as a result of the above, there is a lack of legal certainty.”⁵³

“An undeniable achievement of the UDRP is its transparency, which is manifested from the policy and rules, easily accessible online, to all decisions that are reasoned and published online. Transparent systems have many benefits because they promote accountability and stay open to criticism in how to improve them.”⁵⁴

4. THE FUTURE OF TOP-LEVEL DOMAIN NAME CONTROL

In March 2014, the National Telecommunications and Information Administration (a US governmental body) announced the major change in the control of top-level domains – the transfer of the key top-level domain name functions to a global multi-stakeholder community; this is because the current contract of US Government with ICANN will expire on 30 September 2015. “The U.S. Government's current responsibilities to be transitioned include the procedural role of administering changes to the Domain Name System's (DNS) to the authoritative root zone file – the database containing the lists of names and addresses of all top-level domains – as well as serving as the historic steward of the unique identifiers registries for Domain names, IP addresses, and protocol parameters.”⁵⁵

⁵² ICANN 2013, *UDRP Providers and Uniformity of Process – Status Report 2013*, viewed 23 February 2015, <<https://www.icann.org/en/system/files/files/uniformity-process-19jul13-en.pdf>>.

⁵³ Cortés Diéguez, JP 2008, 'An Analysis of the UDRP Experience: Is it Time for Reform?', *Computer Law and Security Report*, vol. 24, no. 4, pp. 14-15.

⁵⁴ *Ibid.*, p. 15.

⁵⁵ ICANN 2014, *Administrator of Domain Name System Launches Global Multistakeholder Accountability Process*, Press Briefing Scheduled with Board Chair and CEO, viewed 25 February, <<https://www.icann.org/resources/press-material/release-2014-03-14-en>>

The main concern connected with the announcement was (and still is) connected with ensuring that ICANN will not be controlled by any governmental organization because it could lead to the essential limitation of the offered services connected with the basic functioning of the Internet. The main idea is to administer the ICANN's agenda by the multi-stakeholder community, which means professionals and businesses. General concerns are seen in the possible lack of transparency and accountability when changing the character of ICANN. These arguments are also strongly supported by the facts stated above – the domain name dispute resolution system and the decision making process are less formalized and more easily influenced by different interests of different cultures, opinions or countries.

Such uncertainties and also very tight timelines⁵⁶ to discuss all the aspects of the transformation are showing the unpreparedness to transform ICANN to a global multi-stakeholder community. More and more voices are pointing out that the extension of the contract with ICANN will be necessary. It was thus stated that September 2015 is not a deadline; the main target is to be fully prepared at such a transformation.⁵⁷ It means that the transformation date is likely to be postponed for another two or four years.

5. CONCLUSION

There can be no doubt that we are getting decent decisions using the Uniform Domain Name Dispute Resolution Policy. This paper tried to show some defects and differences between deciding similar cases especially in the area of language of proceedings, appointment, bias and possible forum shopping of the panellists, limitations of the proceedings or the question of precedent. Such defects are caused mainly by certain liberty of the Rules and the policy, which however does not inflict more serious problems in recent decision making. The above stated defects are not appearing as fundamental nowadays; the main problem could occur in the moment of

⁵⁶ Even if all the proposals of the organizations advising with the transformation would be adopted as soon as possible, the Congress and the National Telecommunications and Information Administration would have only a month to assess all the aspects of such transformation. More can be seen here:

Schaefer, BD, Rosenzweig, PS, Gattuso, JL 2015, *Time Is Running Out: The U.S. Must Be Prepared to Renew the ICANN Contract*, viewed 25 February, <<http://www.heritage.org/research/reports/2015/02/time-is-running-out-the-us-must-be-prepared-to-renew-the-icann-contract>>.

⁵⁷ Strickling, LE 2015, *Remarks by Assistant Secretary Strickling at the State of the Net Conference 1/27/2015*, viewed 25 February 2015, <<http://www.ntia.doc.gov/speechtestimony/2015/remarks-assistant-secretary-strickling-state-net-conference-1272015>>.

major changes in the organization – the transformation to the global multi-stakeholder community character, where different opinions of different participants can appear as very problematic and destabilize the whole process of solving the trademark dilemma.

General criticism of the UDRP process is known, and ICANN tried to reflect it many times in its studies, in the Rules and comments, and how to apply the Rules and the policy. It is still necessary to take those facts into account and to realize that such a non-formal process is possible to be misused or misinterpreted in the future.

Is the decision making process, therefore, ready for the transformation to the multi-stakeholder character? From the above stated, the answer is quite clear. Many professionals and advisory bodies are pointing out the unpreparedness for the transformation not only in the field of the reorganization of ICANN but also in the sphere of the non-fully-harmonized UDRP process. The transformation itself will be most likely postponed to the future.

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