

THE INTERNET AND DISPUTE RESOLUTION

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1. The purpose of this paper is to briefly discuss some dispute resolution procedures for intellectual property rights arising from the internet. Prior to that, some terms need to be explained.

What is the internet?

2. The Internet is an enormous network of computers, personal computers and servers, linked in a manner so as to enable the user of one computer to link to other computers and gain access to information stored in those other computers. The most well-known aspect of the Internet is the World Wide Web (**WWW**). Computers linked to the WWW use a particular language to format the storage of information in a standard manner called hypertext markup language (**HTML**). Computers that store information in that way can read information in the same form on other computers by the links between them that the Internet permits.
3. Protocols have been developed for the addresses to web sites to which access can be gained by use of the Internet. Web sites contain information formatted in such a way that by using HTML other computers can gain access to that information.¹

What is a domain name?

4. The address and identifier of a web site that enables other computers to gain access to the site is referred to as its domain name. Most addresses for the front page of a web site, or its home page, usually commence with the prefix "http://www". Each section of a web site has a uniform resource locator (**URL**). Other sections of a web site, apart from the home page, will not necessarily include the "www" in its URL.
5. An address will have a suffix such as ".com". Between the prefix and such a suffix are letters or numerals or a combination of both that serve to identify a web site uniquely. There are five top level domains indicated by the following suffixes:
 - (a) ".com" for commercial businesses;
 - (b) ".net" for network organisations;
 - (c) ".gov" for government agencies;

¹ *Connect.com.au v GoConnect* [2000] FCA 1148 at [2-4] per Emmett J

- (d) ".edu" for educational institutions; and
- (e) ".org" for organisations, generally not for profit.

Most entities with web sites fall within one or more of those categories.

6. The proposed proprietor of a web site makes an application to the relevant registering organisation to register a domain name within such category as is considered appropriate. The demand for domain names for web sites has been such that many countries have added additional suffixes indicating the country or origin of the web site. Examples are ".au" for Australia, ".uk" for the United Kingdom, ".hk" for Hong Kong and ".nz" for New Zealand.
7. The ".com" domain is administered in the United States of America. Generally a domain name for a web site with a ".com" suffix can denote that the organisation is based in the United States of America. Australian commercial organisations whose market is solely Australian-based may choose to register a ".com.au" registration in preference to a ".com" domain name, so as to indicate that they are of Australian origin. Australian-based companies that trade in international markets sometimes register both a ".com.au" and a ".com" domain name. It is common for Australian commercial organisations that register both a ".com" and a ".com.au" domain name to have only a single web site. Thus, it is not uncommon for a single organisation to own several domains, each pointing to the single web site.
8. Most domain name-registering bodies pay no regard to names registered by other domain name-registering bodies upon receipt of an application. It is therefore possible for the same name to be registered in several domains, notwithstanding total lack of association between the proprietors of the different registrations. For that reason one commercial organisation may choose to register its name in a number of domains it may be possible to register.
9. There are approximately 600 ISPs serving the market in Australia. There are several tiers of ISPs. A first tier ISP is one that actually provides its own facilities for connection to the Internet. There are currently only four or five ISPs in Australia who are regarded as first tier ISPs. The applicant is one of them. Other ISPs are referred to as second or third tier service providers. Lower tier ISPs use the facilities of a first tier ISP either directly or through an intermediary ISP.²

² *Connect.com.au* at [4-9] per Emmett J

“Accessing” the internet

10. Using a Web browser, such as Netscape's Navigator or Microsoft's Internet Explorer, a cyber "surfer" may navigate the Web-searching for, communicating with, and retrieving information from various web sites. A specific web site is most easily located by using its domain name. Upon entering a domain name into the web browser, the corresponding web site will quickly appear on the computer screen. Sometimes, however, a Web surfer will not know the domain name of the site he is looking for, whereupon he has two principal options: trying to guess the domain name or seeking the assistance of an Internet "search engine".
11. Oftentimes, an Internet user will begin by hazarding a guess at the domain name, especially if there is an obvious domain name to try. Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by ".com.". For example, one looking for Kraft Foods, Inc. might try "kraftfoods.com," and indeed this web site contains information on Kraft's many food products. Sometimes, a trademark is better known than the company itself, in which case a Web surfer may assume that the domain address will be " 'trademark'. com."
12. Guessing domain names, however, is not a risk-free activity. The Web surfer who assumes that "'X'. com" will always correspond to the web site of company X or trademark X will, however, sometimes be misled.
13. A Web surfer's second option when he does not know the domain name is to utilize an Internet search engine, such as Yahoo, Altavista, or Lycos. When a keyword is entered, the search engine processes it through a self-created index of web sites to generate a (sometimes long) list relating to the entered keyword. Each search engine uses its own algorithm to arrange indexed materials in sequence, so the list of web sites that any particular set of keywords will bring up may differ depending on the search engine used.
14. Search engines look for keywords in places such as domain names, actual text on the web page, and metatags. Metatags are HTML code intended to describe the contents of the web site. There are different types of metatags, but those of principal concern to us are the "description" and "keyword" metatags. The description metatags are intended to describe the web site; the keyword metatags, at least in theory, contain keywords relating to the contents of the web site. The more often a term appears in the metatags and in the text of the web page,

the more likely it is that the web page will be "hit" in a search for that keyword and the higher on the list of "hits" the web page will appear.³

15. Registrars are appointed to issue domain names by the Internet Corporation for Assigned Names and Numbers (**ICANN**).

Difficulties associated with domain names

16. There may be a multitude of difficulties associated with the allocation of domain names including:
 - (a) a circumstance in which two entities seek a particular domain name, each having a legitimate reason to do so;
 - (b) a circumstance in which one entity may register a domain name knowing that other entities will want the domain name in due course, without otherwise having a legitimate reason to do so; often referred to as "squatting";
 - (c) a name registered for the purposes of attracting internet users to the site, but in circumstances where the registrant has no legitimate right in respect of the domain name. This is often done by registering a name which is very similar to that which internet users have an interest in locating.
17. Many issues can and do arise involving use of trade marks as part of a domain name or otherwise on a webpage by a competitor. In circumstances in which both protagonists are subject to the laws of Australia, the causes of action will be familiar and usually arise pursuant to section 52 of the *Trade Practices Act* or the *Trade Marks Act*.⁴
18. However, those remedies are well understood and not the subject of this paper. A less well travelled path involves dispute resolution by ICANN. This may be appropriate when the "defendant" is a foreign company with no assets or undertaking in the jurisdiction. In such circumstances any judgment of an Australian Court may be of little utility against a trader or registrar of a domain name, neither of whom have a presence in Australia.

³ *Brookfield Communications Inc v West Coast Entertainment Corporation* [1999] USCA 9 225 paragraphs 18-20

⁴ See *Connect.com.au v GoConnect* [2000] FCA 1148; *Insurance News Pty Ltd v JEM Nominees Pty Ltd* [2008] FCA 1966; *JEM Nominees Pty Ltd v Insurance News Pty Ltd* [2008] FMCA 1227, BC200807756; *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40; *Playboy Enterprises Inc v Calvin Designer Label* 985 F.Supp. 1220 (1997); *Prime Publishers Inc v American-Republican Inc* 160 F.Supp. 2d 266 (2001); *Brookfield Communications Inc v West Coast Entertainment Corporation* [1999] USCA 9 225; 174 F. 3d 1036

ICANN Uniform Dispute Resolution Policy

19. The Uniform Domain Name Dispute Resolution Policy (**the UDRP**)⁵ published by ICANN sets out the framework for the resolution of disputes between a domain name registrant and a third party in relation to the registration and use of an internet domain name in the generic top level domains (eg. .com, .name, .net, .org and the like) and those country code top level domains which have adopted the UDRP. All ICANN accredited registrars that are authorised to register names in the generic or country code top level domain names who have adopted the policy have agreed to abide by and implement it for those domains. Any person or entity wishing to register a domain name in the generic top level domains or country code top level domains is required to consent to the terms and conditions of the UDRP.⁶

Basis of UDRP complaint

20. The UDRP procedure is available for disputes concerning a registration of the domain name that meets the following criteria:
- (a) the domain name registered by the domain name registrant is identical or confusingly similar to a trade mark in which the complainant (the person or entity bringing the complaint) has rights; and
 - (b) the domain name registrant has no rights or legitimate interests in respect of the domain name in question; and
 - (c) the domain name has been registered and is being used in bad faith.⁷

Who's who in a UDRP proceeding

21. The “complainant” is any person or entity claiming rights in a trade mark and who initiates a complaint concerning a domain name registration pursuant to the UDRP.
22. The “respondent” is the holder of the domain name registration against whom the complaint is initiated. Under the terms of the domain name registration argument, the respondent must participate in the UDRP proceeding.
23. The “registrar” is the entity with which the respondent registered a domain name the subject of the proceeding. Every Top Level domain name registrar must be accredited by ICANN.

⁵ The UDRP can be found at <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm>

⁶ The Policy can be found at <http://www.icann.org/en/dndr/udrp/uniform-rules.htm>

⁷ UDRP paragraph 4(a)

It is a term of the accreditation that they abide by the UDRP including the result of the complaint. The World Intellectual Property Organisation (**WIPO**) Dispute Centre was the first domain name dispute resolution service provider to be accredited by ICANN. It appoints one or three independent and impartial persons to decide a complaint.

What is “bad faith” registration?

24. The UDRP sets out several examples of circumstances that will be considered by an administrative panel to be evidence of the bad faith registration and use of a domain name:
- (a) circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
 - (b) you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
 - (c) you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
 - (d) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.
25. Pursuant to paragraph 4(c), when a complaint is received the UDRP provides that the following circumstances, if found by the Panel to be proved, shall demonstrate rights or legitimate interests in the domain name for the purposes of the UDRP:
- (a) before any notice to you of the dispute, your use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or

- (b) you (as an individual, business, or other organization) have been commonly known by the domain name, even if you have acquired no trademark or service mark rights; or
- (c) you are 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.

URDP remedies

26. Importantly, the remedies available to a complainant pursuant to any proceeding before an ICANN administrative panel are limited to requiring the cancellation of the domain name or the transfer of the domain name and registration to the complainant.⁸ Further, the UDRP expressly provides that the administrative proceeding requirement shall not prevent either the domain name registrant (the respondent) or the third party (the complainant) from submitting the dispute to a Court of competent jurisdiction for independent resolution. It is possible for a party to start a proceeding in Court before an administrative proceeding is commenced. A party can also commence a proceeding after the administrative proceeding has been concluded if it is not satisfied with the outcome.⁹

The UDRP procedure

27. The steps in a UDRP administrative procedure are:
- (a) filing of a complaint with an ICANN accredited dispute resolution service provider chosen by the complainant such as the WIPO Centre;
 - (b) the filing of a response by the person or entity against whom the complaint is made;
 - (c) the appointment by the chosen dispute resolution service provider of an administrative panel of one or three persons who will decide the dispute;
 - (d) the issuance of the administrative panel's decision and the notification of all relevant parties; and
 - (e) the implementation of the administrative panel's decision by the registrar's concern, should there be a decision that the domain name in question can be cancelled or transferred.

⁸ Paragraph 4(i)

⁹ UDRP paragraph 4(k)

28. ICANN has published rules for UDRP applications and resolution. The current rules are effective from 28 February 2010.¹⁰
29. There is no form of complaint prescribed by the UDRP or ICANN, however the WIPO Dispute Centre has prepared a model complaint, together with filing guidelines.¹¹ The WIPO Dispute Centre has also prepared a model response, there being no form prescribed by UDRP or ICANN.¹²
30. An example of the type of information to be included in the complaint is attached.

Grounds of challenging a registration

31. As stated above, a complaint under the UDRP must establish three elements, namely:
- (a) the domain name is identical or confusingly similar to a trade mark or service mark in which the complainant has rights;
 - (b) the registrant does not have any rights or legitimate interest in the domain name; and
 - (c) the registrant registered the domain name and is using it in “bad faith”.
32. The complainant has the onus to prove each of these elements.¹³

How is the UDRP likely to be construed by WIPO?

33. Many of the UDRP decisions made by WIPO Panels have been published on the WIPO website and, whilst not binding upon future panels (no doctrine of stare decisis applies to UDRP decisions by WIPO panels) they do provide a useful guideline for future decisions. Indeed, WIPO has helpfully published an overview of various panel views on selected UDRP questions.¹⁴ The WIPO views on selected issues are as follows:

First UDRP element – Identical or confusingly similar to a mark in which the complainant has rights

Does ownership of a registered trademark to which the domain name is confusingly similar automatically satisfy the requirements under paragraph 4(a)(i) of the UDRP?

¹⁰ They can be found at <http://www.icann.org/en/dndr/udrp/uniform-rules.htm>

¹¹ This can be found at <http://www.wipo.int/amc/en/domains/complainant/>

¹² The model response can be found at <http://www.wipo.int/export/sites/www/amc/en/docs/response-eudrp.doc>

¹³ UDRP paragraph 4

¹⁴ This can be found at www.wipo.int/amc/en/domains/search/overview/

34. If the complainant owns a registered trademark then it satisfies the threshold requirement of having trademark rights. The location of the registered trademark and the goods and/or services it is registered for are irrelevant when finding rights in a mark.¹⁵

Is the content of a web site relevant in determining confusing similarity?

35. The content of a website (whether it is similar or different to the business of a trademark owner) is irrelevant in the finding of confusing similarity. This is because trademark holders often suffer from “initial interest confusion”, where a potential visitor does not immediately reach their site after typing in a confusingly similar domain name, and is then exposed to offensive or commercial content. The test for confusing similarity should be a comparison between the trademark and the domain name to determine the likelihood of confusion.¹⁶

Is a domain name consisting of a trademark and a negative term confusingly similar to the complainant’s trademark?

36. A domain name consisting of a trademark and a negative term is confusingly similar to the complainant’s mark. Confusing similarity has been found because the domain name contains a trademark and a dictionary word; or because the disputed domain name is highly similar to the trademark; or because the domain name may not be recognized as negative; or because the domain name may be viewed by non-fluent English language speakers, who may not recognize the negative connotations of the word that is attached to the trademark.¹⁷

Can a complainant show rights in a personal name?

37. While the UDRP does not specifically protect personal names, in situations where an unregistered personal name is being used for trade or commerce, the complainant can establish common law trademark rights in the name. Reference can be made to the test required for the common law action of passing off. Personal names that have been trademarked are protected under the UDRP.¹⁸

¹⁵ *Uniroyal Engineered Products, Inc. v. Nauga Network Services* D2000-0503, *Thaigem Global Marketing Limited v. Sanchai Aree* D2002-0358, *Consorzio del Formaggio Parmigiano Reggiano v. La casa del Latte di Bibulic Adriano* D2003-0661

¹⁶ *Arthur Guinness Son & Co. (Dublin) Limited v. Dejan Macesic* D2000-1698, *Ansell Healthcare Products Inc. v. Australian Therapeutics Supplies Pty, Ltd.* D2001-0110, *Dixons Group Plc v. Mr. Abu Abdullaah* D2001-0843, *AT&T Corp. v. Amjad Kausar* D2003-0327

¹⁷ *Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale* D2000-0662, *A & F Trademark, Inc. and Abercrombie & Fitch Stores, Inc. v. Justin Jorgensen* D2001-0900, *Berlitz Investment Corp. v. Stefan Tinculescu* D2003-0465, *Wachovia Corporation v. Alton Flanders* D2003-0596 among others

¹⁸ *Julia Fiona Roberts v. Russell Boyd* D2000-0210, *Jeanette Winterson v. Mark Hogarth* D2000-0235 among others, *Dr. Michael Crichton v. In Stealth Mode* D2002-0874,

38. However, the name in question should be actually used in trade or commerce to establish unregistered trademark rights. Merely having a famous name (such as a businessman, or religious leader) is not necessarily sufficient to show unregistered trademark rights.¹⁹

What needs to be shown for the complainant to successfully assert common-law or unregistered trademark rights?

39. The complainant must show that the name has become a distinctive identifier associated with the complainant or its goods and services. Relevant evidence of such “secondary meaning” includes length and amount of sales under the mark, the nature and extent of advertising, consumer surveys and media recognition. The fact that the secondary meaning may only exist in a small geographic area does not limit complainant’s rights in a common law trademark. Unregistered rights can arise even when the complainant is based in a civil law jurisdiction.²⁰

Does a trademark licensee or a related company to a trademark holder have rights in a trademark under the UDRP?

40. In most circumstances a licensee of a trademark or a related company such as a subsidiary or parent to the registered holder of a mark is considered to have rights in a trademark under the UDRP.²¹

Second UDRP Element – No rights or legitimate interest in the domain name

Is the complainant required to prove that the respondent lacks rights or legitimate interests in the disputed domain name?

41. While the overall burden of proof rests with the complainant, panels have recognized that this could result in the often impossible task of proving a negative, requiring information that is often primarily within the knowledge of the respondent. Therefore a complainant is required to make out a *prima facie* case that the respondent lacks rights or legitimate interests. Once such *prima facie* case is made, respondent carries the burden of

¹⁹ *Israel Harold Asper v. Communication X Inc.* D2001-0540 among others, *Chinmoy Kumar Ghose v. ICDSOft.com and Maria Sliwa* D2003-0248,

²⁰ *Uitgeverij Crux v. W. Frederic Isler* D2000-0575, *Skattedirektoratet v. Eivind Nag* D2000-1314, *Amsec Enterprises, L.C. v. Sharon McCall* D2001-0083, *Australian Trade Commission v. Matthew Reader* D2002-0786, *Imperial College v. Christophe Dessimoz* D2004-0322 among others

²¹ *Telcel, C.A. v. Jerm and Jhonattan Ramirez* D2002-0309, *Toyota Motor Sales U.S.A. Inc. v. J. Alexis Productions* D2003-0624, *Grupo Televisa, S.A., Televisa, S.A. de C.V., Estrategia Televisa, S.A. de C.V., Videoserpel, Ltd. v. Party Night Inc., a/k/a Peter Carrington* D2003-0796, *Spherion Corporation v. Peter Carrington, d/b/a Party Night Inc.* D2003-1027

demonstrating rights or legitimate interests in the domain name. If the respondent fails to do so, a complainant is deemed to have satisfied paragraph 4(a)(ii) of the UDRP.²²

Does a respondent automatically have a legitimate interest in a domain name comprised of a generic (dictionary) word(s)?

42. If the complainant makes a prima facie case that the respondent has no rights or legitimate interests, and the respondent fails to show one of the three circumstances under Paragraph 4(c) of the Policy, then the respondent may lack a legitimate interest in the domain name, even if it is a domain name comprised of a generic word(s). Factors a panel should look for when determining legitimate use would include the status and fame of the mark, whether the respondent has registered other generic names, and what the domain name is used for (a respondent is likely to have a right to a domain name "apple" if it uses it for a site for apples but not if the site is aimed at selling computers or pornography).²³

Can a reseller have a right or a legitimate interest in the disputed domain name?

43. A reseller can be making a bona fide offering of goods and services and thus have a legitimate interest in the domain name if the use fits certain requirements. These requirements include the actual offering of goods and services at issue, the use of the site to sell only the trademarked goods and the site accurately disclosing the registrant's relationship with the trademark owner. The respondent must also not try to corner the market in domain names that reflect the trademark.²⁴

Does a respondent using the domain name for a criticism site generate rights and legitimate interests?

44. This section only concerns sites that practice genuine, non-commercial criticism. There are many UDRP decisions where the respondent argues that the domain name is being used for a free speech purpose, but the panel finds that, in fact, the domain name is being used for commercial gain.²⁵
45. In the event that a domain name confusingly similar to a trademark is being used for a genuine non-commercial free speech web site, there are two main views. There is also some

²² *Croatia Airlines d.d. v. Modern Empire Internet Ltd.* D2003-0455, *Belupo d.d. v. WACHEM d.o.o.* D2004-0110

²³ *402 Shoes, Inc. dba Trashy Lingerie v. Jack Weinstock and Whispers Lingerie* D2000-1223 *Classmates Online, Inc. v. John Zuccarini, individually and dba RaveClub Berlin* D2002-0635 *Emmanuel Vincent Seal trading as Complete Sports Betting v. Ron Basset* D2002-1058, *Owens Corning Fiberglas Technology, Inc v. Hammerstone* D2003-0903,

²⁴ *Oki Data Americas, Inc. v. ASD, Inc.* D2001-0903, *Experian Information Solutions, Inc. v. Credit Research, Inc.* D2002-0095 among others

²⁵ *Wal-Mart Stores, Inc. v. Walsucks and Walmarket Puerto Rico* D2000-0477 among others

division between proceedings involving US parties and proceedings involving non-US parties, with few non-US panelists adopting the reasoning in View 2.

46. *View 1:* The right to criticize does not extend to registering a domain name that is identical or confusingly similar to the owner's registered trademark or conveys an association with the mark.²⁶
47. *View 2:* Irrespective of whether the domain name as such connotes criticism, the respondent has a legitimate interest in using the trademark as part of the domain name of a criticism site if the use is fair and non-commercial.²⁷

Can a fan site constitute a right or legitimate interest in the disputed domain name?

48. This section only deals with fan sites that are clearly active and non-commercial. There are many UDRP cases in which the respondent claims to have an active non-commercial fan site but the panel decides otherwise.²⁸
49. *View 1:* An active and clearly non-commercial fan site may have rights and legitimate interests in the domain name that includes the complainant's trademark. The site should be non-commercial and clearly distinctive from any official site.²⁹
50. *View 2:* Respondent does not have rights to express its view, even if positive, on an individual or entity by using a confusingly similar domain name, as the respondent is misrepresenting itself as being that individual or entity. In particular, where the domain name is identical to the trademark, the respondent, in its actions, prevents the trademark holder from exercising the rights to its mark and managing its presence on the Internet.³⁰

Third UDRP element – bad faith

Can bad faith be found if the disputed domain name was registered before the trademark was registered/common law trademark rights were acquired?

²⁶ *Skattedirektoratet v. Eivind Nag* D2000-1314; *Myer Stores Limited v. Mr. David John Singh* D2001-0763, *Triodos Bank NV v. Ashley Dobbs* D2002-0776, *The Royal Bank of Scotland Group plc, National Westminster Bank plc A/K/A NatWest Bank v. Personal and Pedro Lopez* D2003-0166, *Kirkland & Ellis LLP v. DefaultData.com, American Distribution Systems, Inc.* D2004-0136

²⁷ *Bridgestone Firestone, Inc., Bridgestone/Firestone Research, Inc., and Bridgestone Corporation v. Jack Myers* D2000-0190, *TMP Worldwide Inc. v. Jennifer L. Potter* D2000-0536, *Howard Jarvis Taxpayers Association v. Paul McCauley* D2004-0014

²⁸ *Helen Fielding v. Anthony Corbett aka Anthony Corbett* D2000-1000

²⁹ *Estate of Gary Jennings and Joyce O. Servis v. Submachine and Joe Ross* D2001-1042, *2001 White Castle Way, Inc. v. Glyn O. Jacobs* D2004-0001

³⁰ *David Gilmour, David Gilmour Music Limited and David Gilmour Music Overseas Limited v. Ermanno Cenicolla* D2000-1459, *Galatasaray Spor Kulubu Dernegi, Galatasaray Pazarlama A.S. and Galatasaray Sportif Sinai Ve Ticari Yatirimlar A.S. v. Maksimum Iletisim A.S.* D2002-0726

51. Normally speaking, when a domain name is registered before a trademark right is established, the registration of the domain name was not in bad faith because the registrant could not have contemplated the complainant's non-existent right.³¹
52. However, in certain situations, when the respondent is clearly aware of the complainant, and it is clear that the aim of the registration was to take advantage of the confusion between the domain name and any potential complainant rights, bad faith can be found. This often occurs after a merger between two companies, before the new trademark rights can arise, or when the respondent is aware of the complainant's potential rights, and registers the domain name to take advantage of any rights that may arise from the complainant's enterprises.³²

Can there be use in bad faith when the domain name is not actively used and the domain name holder has taken no active steps to sell the domain name or contact the trademark holder? (Passive holding)

53. The lack of active use of the domain name does not as such prevent a finding of bad faith. The panel must examine all the circumstances of the case to determine whether respondent is acting in bad faith. Examples of circumstances that can indicate bad faith include complainant having a well-known trademark, no response to the complaint, concealment of identity and the impossibility of conceiving a good faith use of the domain name. Panels may draw inferences about whether the domain name was used in bad faith given the circumstances surrounding registration, and vice versa.³³

What constitutes a pattern of conduct of preventing a trade or service mark owner from reflecting the mark in a corresponding domain name?

54. A pattern of conduct can involve multiple UDRP cases with similar fact situations or a single case where the respondent has registered multiple domain names which are similar to known trademarks, however the registration of two domain names in the same case is not generally sufficient to show a pattern.³⁴

³¹ *John Ode dba ODE and ODE - Optimum Digital Enterprises v. Intership Limited* D2001-0074, *Digital Vision, Ltd. v. Advanced Chemill Systems* D2001-0827, *PrintForBusiness B.V v. LBS Horticulture* D2001-1182

³² *ExecuJet Holdings Ltd. v. Air Alpha America, Inc.* D2002-0669, *Kangwon Land, Inc. v. Bong Woo Chun (K.W.L. Inc)* D2003-0320, *Madrid 2012, S.A. v. Scott Martin-MadridMan Websites* D2003-0598 among others, *General Growth Properties, Inc., Provo Mall L.L.C. v. Steven Rasmussen/Provo Towne Center Online* D2003-0845

³³ *Telstra Corporation Limited v. Nuclear Marshmallows* D2000-0003, *Jupiters Limited v. Aaron Hall* D2000-0574, *Ladbroke Group Plc v. Sonoma International LDC* D2002-0131 among others

³⁴ *Home Interiors & Gifts, Inc. v. Home Interiors* D2000-0010 among others, *Telstra Corporation Limited v. Ozurls* D2001-0046 among others

Can constructive notice form a basis for finding registration and/or use in bad faith?

55. Most panels have declined to introduce the concept of constructive notice into the UDRP. However, where a complainant had a United States registered trademark and respondent was located in the United States, this concept has been used in a few cases to support a finding of registration and/or use in bad faith. In those cases, where the complainant's trademark registration preceded the respondent's domain name registration, respondent was presumed to have notice of the trademark.³⁵

What is the role of a disclaimer on the web page of a disputed domain name?

56. The existence of a disclaimer cannot cure bad faith, when bad faith has been established by other factors. A disclaimer can also show that the respondent had prior knowledge of the complainant's trademark. However a disclaimer is sometimes found to support other factors indicating good faith or legitimate interest.³⁶

Can statements made in settlement discussions be relevant to showing bad faith?

57. Evidence of offers to sell the domain name in settlement discussions is admissible under the UDRP, and is often used to show bad faith. This is because many cybersquatters often wait until a trademark owner launches a complaint before asking for payment and because panels are competent to decide whether settlement discussions represent a good faith effort to compromise or a bad faith effort to extort. Also the legal criteria for showing bad faith directly specifies that an offer for sale can be evidence of bad faith.³⁷

Does the renewal of the registration of a domain name amount to a registration for the purposes of determining whether the domain name was registered in bad faith?

58. While the transfer of a domain name to a third party does amount to a new registration, a mere renewal of a domain name does not amount to registration for the purposes of

³⁵ *Toronto Star Newspaper Ltd. v. Elad Cohen* DTV2000-0006, *Kate Spade, LLC v. Darmstadter Designs* D2001-1384; *Alberto-Culver Company v. Pritpal Singh Channa* D2002-0757, *Sterling Inc. v. Sterling Jewelers, Inc and Domain Traffic* D2002-0772, *The Sportsman's Guide, Inc. v. Modern Limited, Cayman Islands* D2003-0305

³⁶ *Estée Lauder Inc. v. estelauder.com, estelauder.net and Jeff Hanna* D2000-0869, *Arthur Guinness Son & Co. (Dublin) Limited v. Dejan Macesic* D2000-1698, *Besiktas Jimnastik Kulubu Dernegi v. Mehmet Tolga Avcioglu* D2003-0035, *Pliva, Inc. v. Eric Kaiser* D2003-0316

³⁷ *CBS Broadcasting, Inc. v. Gaddoor Saidi* D2000-0243, *Magnum Piering, Inc. v. The Mudjackers and Garwood S. Wilson, Sr.* D2000-1525 among others, *McMullan Bros., Limited, Maxol Limited, Maxol Direct Limited Maxol Lubricants Limited, Maxol Oil Limited Maxol Direct (NI) Limited v. Web Names Ltd* D2004-0078,

determining bad faith. Registration in bad faith must occur at the time the current registrant took possession of the domain name.³⁸

Advantages/disadvantages of UDRP approach

59. There are a number of advantages of the UDRP in comparison with court proceedings:
- (a) decisions are made quite quickly, usually within 40 days of the filing of a complaint;
 - (b) proceedings are relatively inexpensive. Filing fees with WIPO, the main provider of dispute resolution services are presently \$1500US if fewer than six domain names are involved and only one panellist is involved in the decision-making proceeding;
 - (c) evidentiary matters are informed in comparison with court proceedings;
 - (d) jurisdictional issues are not relevant as the registrant, in its contract with the domain registering authority, must submit to the UDRP. In addition, if the matter is subsequently the subject of court litigation, the complainant must submit to the jurisdiction of the registrant's place of residency or the jurisdiction of the relevant domain name registering authority;
 - (e) the domain name registering authority is not involved in the proceedings and it is not liable for the consequences of the dispute resolution policy in any individual case.
60. Some of the potential difficulties of the UDRP are the following:
- (a) decisions are not binding in that they can be "trumped" by court proceedings. Some trade mark owners act on the assumption that they will also have to initiate court proceedings and seek interim or interlocutory orders;
 - (b) a registrant who is unsuccessful in a UDRP is unlikely to have a cause of action available to it that would overturn a decision to transfer its domain name to the complainant or to cancel the domain name registration.³⁹

Conclusion

61. It can be seen that in some circumstances the "usual" remedies available pursuant to Australian law may be of little utility. This arises when the respondent is not subject to the laws of Australia or otherwise too difficult to identify. The UDRP procedure offers a

³⁸ Substance Abuse Management, Inc. v. Screen Actors Models International, Inc. (SAMI), D2001-0782, PAA Laboratories GmbH v. Printing Arts America D2004-0338

³⁹ Shanahan's Law of Trade Marks and Passing Off 3rd Ed pages 643-644

relatively quick and inexpensive approach which does not preclude traditional litigation. Further, it may provide a remedy in circumstances where Australian law may not provide such a remedy.

62. However, there may well be circumstances in which the conduct of the respondent is such that neither traditional causes of action or those under the UDRP procedure may not be available. Consider the following example: a domain name which is not identical or confusingly similar to that of the applicant. However, the web page has been embedded with metatags which do utilise the applicant's name or mark. These are not apparent on a visual examination of the web page, but enable the web page to be elevated in any search results generated by a search engine. The end result is that the respondent's web page is preferred in a search result to that of the applicant's. It is unlikely that the use of the mark or name in metatags is a use as a trade mark, therefore a remedy may not be available.⁴⁰
63. It is possible that the conduct may be misleading within the meaning of the Trade Practices Act. However, any searcher would be immediately disabused by reviewing the search result, it clearly not being on its face associated with the complainant.⁴¹ Similarly, the UDRP procedure would not, on its face, be of any assistance in such circumstances.

24 February 2011

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⁴⁰ *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40

⁴¹ *Rescuecom Corp v Google Inc* 245 F. Supp 2d 393 (2006); *Playboy Enterprises Inv v Netscape Communication Corp* 354 F3d 1020 (9th Cir 2004); *Brookfield Communications Inc v West Coast Entertainment Corp* 174 F3d 1036 (9th Cir 1999)