

Re: WIPO Arbitration and Mediation Center observations to ICANN for Policy Staff/GNSO Council "Current State of the UDRP Webinar"

May 6, 2011

**The UDRP has been offering an effective solution for trademark owners, domain name registrants, and registration authorities**

The UDRP was born out of the need for an administrative dispute resolution mechanism specifically designed to resolve certain trademark-based online conflicts occurring across national jurisdictions, while retaining court options. As an expedient alternative to those court options, the UDRP has won international respect. As but one measure of how this legal system has held up, only the rarest of the tens of thousands of UDRP decisions have been successfully challenged in court.

It is important to recognize that, in different ways, the UDRP has worked to the benefit of all DNS actors.

For owners of trademark rights (whether SMEs, global corporations, or individuals), the UDRP provides a widely relied-upon means for addressing a clear category of online abuse of their rights, thereby reducing consumer deception and facilitating the growth of legitimate e-commerce. Household brands from a diverse range of services and industries from around the world have found a measure of protection in the steady standards of this efficient enforcement tool.

For domain name registrants (whether represented by counsel or acting *pro se*), the UDRP has provided an accessible framework for established legal norms. Their application benefits from non-exhaustive registrant safe harbors at a substantive level (rights and legitimate interests), and appropriate process safeguards (e.g. mutual jurisdiction, language of proceedings, response extensions). Respondents are not required to pay filing fees under the UDRP, and unlike in court, do not risk imposition of monetary damages or other remedies beyond transfer or cancellation.

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Registration authorities in their own way rely on the UDRP for predictable guidance in implementing external decisions concerning disputed domain names. Such registration authorities are afforded a measure of insulation not only from the dispute resolution process itself, but also from possible court litigation. Of course, ICANN stakeholders themselves also extensively rely on trademarks of their own.

Any destabilization of the UDRP will impact all of these parties.

**By accommodating evolving norms and practices, the UDRP has proven to be a flexible and fair dispute resolution system**

The overall UDRP framework does not seek to micro-legislate for moments in time. Its non-exhaustive concepts of respondent rights or legitimate interests and bad faith are subject to panel interpretation in light of evolving legal norms and business practices. Similarly, panels have appropriate procedural powers. Building on this flexibility, the UDRP in effect represents the collective wisdom and public stewardship of hundreds of UDRP panelists across jurisdictions exercised over the course of tens of thousands of reasoned decisions.

Examples of practical issues addressed include privacy and proxy registration services, multiple parties and consolidation principles, language requests, consideration of supplemental filings, and suspension procedures to facilitate party-agreed settlement. The list is long, with these and many other issues continuing to be streamlined by UDRP panelists in live cases every day.

In this way, the UDRP has incrementally developed as a public system of jurisprudence over more than a decade. This is illustrated by the recently published second edition of the *WIPO Overview of WIPO Panel Views on Selected UDRP Questions*, which distills broadly-held panel positions on nearly 50 of the most important procedural and substantive issues in over 20,000 WIPO UDRP cases (see [www.wipo.int/amc/en/domains/search/overview2.0/](http://www.wipo.int/amc/en/domains/search/overview2.0/)). This vast body of published jurisprudence both results from and naturally furthers UDRP stability through time.

**With exponential DNS growth around the corner and untested new RPMs in development, this is in any event the wrong time to revise the UDRP**

Irrespective of one's views on its functioning, the UDRP must interoperate with other RPMs being developed for New gTLDs, in particular the URS which also addresses registrant behavior. The URS is as yet unsettled and presents serious issues in terms of its workability; its procedural and jurisprudential interaction with the UDRP remains largely unaddressed. Even if such issues were satisfactorily resolved, this new RPM will need to settle in practice in a DNS expanded by hundreds of TLDs.

The operational UDRP must remain anchored to absorb the effects of this expansion, and it would be highly unwise to risk its destabilization at this time.

### **Institutionally stacked, an ICANN revision process would likely end up overburdening and diluting the UDRP**

Following a series of nearly twenty international consultations involving experts from around the globe, WIPO’s recommendations in the Final Report of this First WIPO Internet Domain Name Process provided the blueprint for the UDRP. ICANN, which at that time had only just been formed, adopted this UDRP model in late 1999. Since then, significant numbers of ccTLD registries have also adopted dispute resolution policies based on that same model.

Between 2000 and 2003, several ICANN efforts have looked into the possibility of amending the UDRP, without producing any agreed basis for constructive movement. The only positive change occurred in 2009, when ICANN adopted WIPO-designed amendments to the UDRP Rules to facilitate paperless pleadings.

Some ten years after the UDRP’s inception, trademark owners are now being asked to buy into an unprecedented registration-driven DNS expansion. At the same time, certain of those registration interests, joined by other ICANN stakeholders, are advocating that the UDRP be investigated.

If interests under the ICANN umbrella do not share the wide recognition of the UDRP as an overall success and rather believe it warrants revision, it would seem incumbent upon those interests to advance a transparent rationale for their views and articulate a coherent alternative model.

Of course, from an IP rights holders’ perspective, there are numerous ways in which the UDRP might be amended. It could operate on condensed timelines and default decisions. Its scope could extend beyond trademark rights, and more recent bad-faith scenarios recorded. Calls have been made for damages options and ‘loser pays’ models. The UDRP could also be expanded to address certain forms of intermediary behavior. Other interests are on record with wish-lists that apparently include the UDRP definition of cybersquatting itself.

On its part, based on unparalleled experience, WIPO has deep insight into practical options for UDRP modification. However, the process and timing must be right. Any responsible effort to reconstruct the UDRP framework cannot be rushed, but ought rather to be the balanced result of serious, appropriately resourced, expert deliberations, grounded in a constructive vision for the UDRP.

The anticipated ICANN process does not inspire confidence that it would meet these standards. Even when it comes to trademark policies, IP institutionally appears to occupy only a minor ICANN role. Indeed, the more vocal advocacy observed thus far does not suggest a desire to enhance the UDRP’s effectiveness as a rights protection vehicle. The present state of the URS illustrates the risks of subjecting an RPM to recycled committee processes, open-microphone lobbying and line-item horse-trading.

Any invoked “inevitability” of UDRP revision is man-made. Stakeholders should not be naïve about the genesis of the envisaged revision process, nor optimistic about its likely outcome for the UDRP if moved forward: a mechanism tweaked in certain micro ways, but overburdened and diluted as a whole.

**Fundamental questions about the business and DNS beneficiaries of cybersquatting must be addressed before targeting the very mechanism intended to address this practice**

The spotlight today should not be on the UDRP, but on the persistent practice of cybersquatting. If only for its intended inclusion of the definition of cybersquatting, any revision of the UDRP must be preceded by a transparent examination of this illegitimate business itself.

Instead of allowing the UDRP to be placed in the dock, ICANN should first fairly address the following issues:

- the relationship between cybersquatting and the activities, revenues and budgets of DNS actors;
- the incidence of UDRP cybersquatting findings in relation to wider trademark abuse in the DNS overall, with filed UDRP cases merely representing the tip of the iceberg; and
- the degree of proportionality between trademark rights enforcement and domain name registration opportunities in the DNS.

The UDRP functions today as the unique result of care invested by many stakeholders over more than ten years, for public and private benefit. WIPO urges ICANN to recognize the overall positive functioning of the UDRP to date, and not to add the UDRP to the issues which ICANN has to manage. Subjecting the UDRP model to a decision process weighted against legitimate IP interests will not produce positive net results for this mechanism, and may have ripple effects across the DNS.

If this UDRP revision effort should go ahead, WIPO will take great interest. However, ICANN revision of the UDRP is a choice, not an inevitability. For a number of reasons, we counsel: don't go there.

We are posting a copy of these observations on the WIPO website for public information at [www.wipo.int/amc/en/domains/resources/icann/](http://www.wipo.int/amc/en/domains/resources/icann/).

Thank you for your consideration.

Yours sincerely,



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