

# COMPARATIVE CASE STUDY ON ALTERNATIVE RESOLUTION SYSTEMS FOR DOMAIN NAME DISPUTES

## Executive Summary



# EXECUTIVE SUMMARY

While the internet has provided trade mark holders with previously unimaginable access to markets and consumers around the world, the risk of falling victim to intellectual property infringement and other types of fraud has also proliferated online. Trade marks are particularly susceptible to infringement on the web because they can, amongst other reasons, be incorporated into a domain name as text with relative ease, which may lead to an array of abusive domain name registration and/or use practices.

As internet usage began to rise in the late 1990s, internet stakeholders and legislators became increasingly aware of these risks. However, while national courts were used to enforce trade mark rights as such, the borderless and multijurisdictional characteristics of the internet combined with traditionally time-consuming and often costly cross-border litigation processes involved, created problems for efficient enforcement of intellectual property rights against abusive domain name registrations. It was for these reasons that the World Intellectual Property Organization (WIPO) established the Uniform Domain Name Dispute Resolution Policy (UDRP) for the resolution of disputes arising from the registration of internet domain names. In late 1999 the Internet Corporation for Assigned Names and Numbers (ICANN), the organisation responsible for coordinating the maintenance and procedures of the namespaces and numerical spaces of the internet, adopted WIPO's recommendations and implemented the UDRP for all gTLD registrations.

Beyond assisting brand owners in addressing abuse of their trade marks online without the need for costly court proceedings and minimising the burden on national courts, it is also worth pointing out that online dispute resolution such as the UDRP are perceived to facilitate global e-commerce, and that protecting brands online not only helps mitigate consumer confusion and related harms, but also helps to provide a stable platform for economic growth.

Today, all generic top-level domains<sup>1</sup> (gTLDs), including new gTLDs<sup>2</sup> apply the UDRP to resolve disputes. However, while many country-code top-level domains (ccTLDs)<sup>3</sup> also utilise the UDRP, other ccTLDs have opted to either adopt a modified version of the UDRP to accommodate differences in the country's legal code or to create a bespoke Dispute Resolution Policy (DRP) that may function differently to the UDRP. The existence of these different DRPs and the resulting varying rules and policies require specialised knowledge without which there may be confusion amongst intellectual property rights holders as to some of the unique aspects of such DRPs (thus presenting a challenge from a resources point of view).

This study, titled 'Comparative Case Study on Alternative Resolution Systems for Domain Name Disputes', has been commissioned by the EUIPO's European Observatory on Infringements of Intellectual Property Rights (the Observatory) to compare the likely outcomes of 10 selected DRPs (including the UDRP<sup>4</sup>) for 11 pre-defined case scenarios (disputes). The objective of the study, performed with the input from expert panellists in the respective DRPs, was to identify key points of

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<sup>1</sup> Categories of top-level domains (TLDs) maintained by the Internet Assigned Numbers Authority (IANA). The so-called core group of gTLDs consists of the .com, .info, .net, and .org domains.

<sup>2</sup> Currently amounting to some 1 200 domains (e.g. .top, .loan, .xyz, etc.).

<sup>3</sup> Generally used or reserved for a country, sovereign state, or dependent territory identified with a country code (e.g. .uk, .es, .us, etc.).

<sup>4</sup> The selected DRPs, in brackets [], and associated ccTLDs or gTLDs are: 1) All gTLDs and new gTLDs (e.g. .com, .org, .net, etc.) [UDRP]; 2) .au [auDRP]; 3).dk [Danish Domain Name Board]; 4) .eu [euADR]; 5) .it [PRSD, Modified UDRP]; 6) .uk [Nominet DRS]; 7) .cn [CNDRP]; 8) .jp [JP-DRP]; 9) .us [usDRP]; 10) .nl [Modified UDRP].

similarity and difference in possible outcomes and to compare and contrast the key characteristics of each DRP such as procedures, fees, durations and case statistics.

A large number of UDRP and ccTLD-variant cases were considered in total. The study provides a summary table in a dedicated section that provides statistical data on cases that were ruled in favour of the complainant, in favour of the respondent, terminated before a decision was made and other outcomes (e.g. domain is cancelled, fee not paid, invalid complaint). Furthermore, a large amount of data, provided by expert panellists in all of the DRPs, were collected and analysed for the case comparisons. Each case scenario has its own dedicated section within this report.

The study has concluded that with the exception of the Danish Domain Complaints Board (.dk), the DRPs assessed are substantially similar to the UDRP<sup>5</sup>. In fact, some of the DRPs analysed are identical to the UDRP except for a few alterations that are either to align the process to the country's underlying legal code or to include an initial mandatory mediation phase<sup>6</sup>. JP-DRP (.jp), for example, expands the basis for initiating a domain dispute from 'trademarks and service marks' to 'trademark or other indication *[sic]*' to accommodate the narrow definition of trade marks defined under the Japanese Trademark Act.

Therefore, with the exception of the Danish Domain Complaints Board (.dk), the likely outcomes for the eleven theoretical case scenarios were substantially similar across the different DRPs assessed. Despite this, there are a number of key points of divergence between the DRPs:

- Nominet (.uk), .nl and .it, all modified versions of the UDRP, allow for a mediation stage, which provides the opportunity for both the complainant and respondent to resolve a dispute before the panel stage, if both parties are willing. This mediation stage accounts for a reasonable portion of resolved disputes before a case formally commences. For .uk disputes for example, nearly 10 % of total complaints are resolved this way.
- There is some divergence in the requirements for a decision against a respondent<sup>7</sup>. For instance, the UDRP requires the complainant to prove bad faith at the time of registration and as to use (typically at the time of the complaint). In practice this would mean that a domain holder who registers a domain in good faith, but subsequently utilises the domain in bad faith will normally still prevail against a complainant. However, most other DRPs state that it is sufficient to prove that either registration or use of the domain name is in bad faith.
- Furthermore, the three cumulative requirements of the UDRP that a complainant must prove for a decision against a respondent [(i) that the domain name is identical or confusingly similar to the trade mark or service mark, and ii) respondent has no rights or legitimate interests in the domain name and iii) the domain name has been registered and is being used in bad faith)] are not present in euADR (.eu). Instead the euADR states that a complainant must demonstrate why the disputed domain name is identical or confusingly similar to the trade mark or relevant identifier and, **either**: why the disputed domain name has been registered by its holder without rights or legitimate

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<sup>5</sup> The Danish Domain Complaints Board policy draws from three lines in the Danish Act on Internet Domains, which states that 'registrants may not register and use internet domain names in violation of good domain name practice' and 'registrants may not register and maintain registrations of internet domain names solely for resale or rental purposes'. No other guidance is provided.

<sup>6</sup> Refer to .nl Modified UDRP and .it Modified UDRP.

<sup>7</sup> The UDRP employs a three-stage test that a complainant must prove when making a complaint against a respondent: i) domain name is identical or confusingly similar to trade mark, ii) respondent has no rights or legitimate interests in respect of the domain name and iii) the domain name has been registered and/or is being used in bad faith.

interests **or** why the disputed domain name should be considered as having been registered or being used in bad faith.

- As regards the rights covered, while several DRPs, including the UDRP, tend to consider the protection of trade marks and service marks, other DRPs, including euADR and .nl, both modified versions of the UDRP, consider rights to extend to other areas such as geographical indications or designations of origin as well as unregistered trade marks, trade names, business identifiers, company names, surnames, and distinctive titles of protected literary and artistic works.

These sometimes subtle divergences may impact both the overall procedure for the respondent and complainant and the approach that panellists take when deciding on a case. Indeed, in some instances they can lead to different case outcomes, e.g. when it comes to standing to file a complaint, or the differences in cumulative requirements to rule against a respondent.

The results of this study should provide more clarity for IP rights holders, domain name stakeholders and policy makers.



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