

NOTE

CONSTITUTIONAL INTERNATIONALIZATION OF ICANN'S UDRP

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I. INTRODUCTION

With the rise of the internet as a mechanism for generating income, disputes over ownership of domain names continue to increase. This is particularly true in the context of domain names that are identical or confusingly similar to valid trademarks. Individuals have ample incentive to register such domain names, given the relatively easy and inexpensive process of registering a domain and the potential windfall from selling the domain to the trademark holder or to a third party. The frequency of this practice led to the creation of the Uniform Domain-Name Dispute-Resolution Policy (UDRP) by the Internet Corporation for Assigned Names and Numbers (ICANN), an organization that performs governmental responsibilities on behalf of the U.S. government pursuant to a contract with the Department of Commerce.¹

The inherently global nature of the internet, as well as the influence of the U.S. government over the internet, led the UDRP to be applied to domains registered throughout the world, rather than simply those in the United States. This has created both political and legal tension. Politically, many countries have demanded greater input in the policymaking process. Additionally, the application of U.S. intellectual property law to foreign countries through the UDRP has created serious constitutional concerns in those countries. This Note proposes the creation of an international body as a remedy to both issues. The organization would have the power to create policy, which ICANN would be charged with implementing, and would be limited in the exercise of its power based upon a constitutional framework. Vesting policymaking power in an international organization with participation from as many countries as possible would increase both legitimacy and transparency. At the same time, using a constitutional framework to constrain the organization would decentralize power

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1. Memorandum of Understanding Between the U.S. Department of Commerce & Internet Corp. for Assigned Names & Numbers (Nov. 25, 1998), *available at* <http://www.ntia.doc.gov/page/1998/memorandum-understanding-between-us-department-commerce-and-internet-corporation-assigned-> [hereinafter Memorandum of Understanding]. The Memorandum of Understanding has been modified and extended several times, most recently in an “Affirmation of Commitments” signed in 2009. Affirmation of Commitments Between the U.S. Department of Commerce & Internet Corporation for Assigned Names & Numbers (Sept. 30, 2009), *available at* <http://www.icann.org/en/about/agreements/aoc/affirmation-of-commitments-30sep09-en.htm>.

and ensure that the policy does not violate the domestic laws or constitutions of any country party to the organization.

II. BACKGROUND

ICANN was established in 1998 to oversee a number of internet-related activities on behalf of the U.S. government.² While ICANN is technically a private corporation, it contracts with the U.S. Department of Commerce in order to fulfill a number of governmental roles.³ The organization specifically focuses on the allocation and assignment of domain names (referred to as the Domain Name System or DNS), internet protocol (IP) addresses, autonomous system (AS) numbers, and protocol port and parameter numbers.⁴ However, the most contentious function of ICANN, and the subject of this Note, is the adjudication of disputes over domain names through the UDRP and, specifically, the adjudication of disputes involving “cybersquatting.”

Cybersquatting is the process of registering a domain name that is identical or confusingly similar to a trademark belonging to someone else with the intent to sell the domain to the trademark holder or a third party.⁵ The system currently used to register domain names provides ample incentives for cybersquatters. Registrants, the parties who wish to register a domain, contact registrars in order to obtain a particular domain. Domain names are awarded on a first-come, first-serve basis, and there is no requirement that a registrant of a famous domain be the owner of that trademark.⁶ In fact, no priority of any kind is afforded to trademark holders, and registrars are specifically exempted from any

2. *The Formation of ICANN*, BERKMAN CTR. FOR INTERNET & SOC`Y AT HARVARD UNIV., <http://cyber.law.harvard.edu/ilaw/DomainNames/FormationofICANN.htm> (last visited Mar. 1, 2012); Mgmt. of Internet Names & Addresses, 63 Fed. Reg. 31741-01 (Nat'l Telecomms. & Info. Admin., U.S. Dep't of Commerce, June 5, 1998), available at <http://www.ntia.doc.gov/federal-register-notice/1998/statement-policy-management-internet-names-and-addresses>. The statement of policy has been informally called the “White Paper.” See *Internet Domain Names & Intellectual Prop. Rights, Hearing Before the Subcomm. on Courts & Intellectual Prop. of the H. Comm. on the Judiciary*, 106th Cong. 16 (July 28, 1999), available at http://commdocs.house.gov/committees/judiciary/hju63594.000/hju63594_0f.htm (“Following a 1-year process in which we gathered over a thousand comments in the course of multiple Requests for Comment, we issued a Statement of Policy on the Management of Internet Names and Addresses, which has become known as the White Paper.”).

3. Memorandum of Understanding, *supra* note 1.

4. *Bylaws*, ICANN (as amended Mar. 16, 2012), art. 1, available at <http://www.icann.org/en/general/bylaws.htm#I>.

5. *Frequently Asked Questions: Internet Domain Names*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/center/faq/domains.html> [hereinafter *FAQ: Internet Domain Names*].

6. *Id.*

liability stemming from helping a registrant obtain a domain in “bad faith.”⁷ Once a registrant has registered a particular domain name, he or she may potentially receive a windfall from selling the domain name to the trademark holder or simply to the highest bidder. As a result, cybersquatting quickly developed as more consumers started to do business over the internet, and the practice became a major problem by the late 1990s.⁸

Cybersquatting presents a number of economic harms. It tends to confuse consumers and undermine the value in brand names. These concerns were particularly important in the 1990s, when internet search engines were less developed than they are now.⁹ At that time, consumers did not use search engines to the extent that they do now, exacerbating the problems caused by cybersquatting.¹⁰ Without the aid of search engines, consumers usually typed domain names directly into the address bar on their web browser, which greatly increased the risk of confusion.

When cybersquatting emerged in the 1990s, trademark holders found that the traditional trademark doctrines were not particularly well-suited to deal with the problem.¹¹ In response, Congress enacted the Anti-Squatting Consumer Protection Act (ACPA) in 1999.¹² The ACPA created statutory damages for cybersquatting, squarely addressing the issue and eliminating the need to stretch other doctrines in order to resolve the problem. The ACPA requires a plaintiff to prove that the defendant registered the domain in bad faith and that the domain is identical or confusingly similar to a valid trademark.¹³ It eliminates previous “commercial use” and “fame” requirements¹⁴ and attempts to clarify the term “bad faith” by offering a non-exhaustive list of factors to be considered by courts.¹⁵

7. Ian J. Block, Comment, *Law in a Networked World: Hidden Whois & Infringing Domain Names: Making the Case for Registrar Liability*, 2008 U. CHI. LEGAL F. 431, 443 (2008).

8. See generally *Cybersquatting & Consumer Prot.: Ensuring Domain Name Integrity: Hearing on S. 1225 Before the S. Comm. on the Judiciary*, 106th Cong. (1999) [hereinafter *Senate Hearing*], available at <http://www.gpo.gov/fdsys/pkg/CHRG-106shrg67164/html/CHRG-106shrg67164.htm>.

9. Karen Jacobs Loudon et al., *Legitimate Businesses Get Caught in the Web: Does the Anticybersquatting Protection Act Go Too Far?*, 10 DEL. L. REV. 1, 3–4 (2008).

10. See *id.*

11. See *infra* Part III.

12. The act is codified as 15 U.S.C. § 1125(d) (2006).

13. *Id.* § 1125(d)(1).

14. Compare *id.* § 1125(a) (requiring use in commerce) and *id.* § 1125(c) (requiring that the owner’s mark be famous), with *id.* § 1125(d).

15. These factors include: (1) the trademark or other intellectual property rights of the defendant in the domain name, (2) the extent to which the domain consists of the legal name of the defendant or name that is commonly used to refer to the defendant, (3) the defendant’s prior use of the domain name in connection with legitimate offering of any goods or services, (4) the defendant’s legitimate noncommercial or fair use of the mark in a site accessible under the domain, (5) the defendant’s intent to divert traffic away from the mark holder’s online location either for commercial gain or to tarnish the mark, (6) the defendant’s offer to sell or assign the domain name for financial gain without having used

After the ACPA was passed, trademark holders were in a much better position to deal with cybersquatters. Still, prosecuting cybersquatters under the ACPA requires all the costs, as well as the time, attendant to a civil lawsuit.¹⁶ This led trademark holders to seek a faster and cheaper method for prosecuting cybersquatters.

The result was ICANN's UDRP. The UDRP offers a streamlined administrative method to adjudicate disputes that is much faster and cheaper than litigation.¹⁷ The UDRP was enacted on August 26, 1999, in the same year that the ACPA was passed.¹⁸ A complainant can choose one of four ICANN-approved dispute resolution centers: the Asian Domain Name Dispute Resolution Center (ADNRC), the National Arbitration Forum (NAF), the World Intellectual Property Association (WIPO), and the Czech Arbitration Court (CAC).¹⁹ While each center has its own supplemental rules, there tends to be little variation between them. A complainant may choose between a panel of one or three members that will decide the outcome of the proceeding.²⁰ While the costs and duration of proceedings can vary between the forums, a typical dispute involving between one and five domains usually costs around \$1,500 to adjudicate before a panel of one, and \$4,000 before a panel of three.²¹ A dispute involving six to ten domains costs \$2,000 before a panel of one, and \$5,000 before a panel of three.²² Panelists usually make a decision within sixty days of the filing of a complaint.²³ The

or intended to use the domain for the legitimate offering of any goods or services, (7) the defendant's provision of material and misleading false information in connection with registering the domain name, (8) the defendant's registration or acquisition of multiple domain names that the defendant knows are identical or confusingly similar to the marks of others, and (9) the extent to which the mark incorporated into the domain name is or is not distinctive and famous. *Id.* § 1125(d)(B).

16. WORLD INTELL. PROP. ORG., THE MANAGEMENT OF INTERNET NAMES AND ADDRESSES: INTELLECTUAL PROPERTY ISSUES: FINAL REPORT OF THE WIPO INTERNET DOMAIN NAME PROCESS, ch. 3, § 131 (1999) [hereinafter WIPO FINAL REPORT], available at http://www.icann.org/en/wipo/FinalReport_3.html (finding that intellectual property right owners viewed the mechanisms to prosecute cybersquatting as "expensive, cumbersome, and ineffective").

17. See, e.g., *WIPO Guide to the Uniform Domain Name Dispute Resolution Policy* [UDRP], WORLD INTELL. PROP. ORG., pt. B, <http://www.wipo.int/amc/en/domains/guide/#b3> [hereinafter *WIPO Guide to the UDRP*]. The policy is applicable to domain names in many countries throughout the world. An exhaustive list is available at <http://www.wipo.int/amc/en/domains/cctld/index.html>.

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

19. *List of Approved Dispute Resolution Service Providers*, ICANN, <http://www.icann.org/en/dndr/udrp/approved-providers.htm> (last visited July 12, 2012).

20. *Rules for the Uniform Domain Name Dispute Resolution Policy*, ICANN (Oct. 30, 2009), r. 3, <http://www.icann.org/en/dndr/udrp/uniform-rules.htm> [hereinafter *Rules for UDRP Policy*].

21. See *WIPO Guide to the UDRP*, *supra* note 17, pt. B.

22. *Id.*

23. *Id.*

efficiency of the proceedings has made them very popular, and several thousand disputes are adjudicated using the UDRP each year.²⁴

Substantively, the UDRP is very similar to the ACPA. The UDRP requires that a complainant establish: 1) that the domain name is identical or confusingly similar to the trademark or service mark in which the complainant has rights, 2) that the defendant has no rights or legitimate interests in the domain, and 3) that the domain name was registered and used in bad faith.²⁵ Similarly, the UDRP offers a non-exhaustive list of four factors to be considered in determining whether a domain was registered in bad faith, including circumstances indicating that: 1) the defendant registered or acquired the domain primarily for the purpose of selling the domain to the trademark holder or some third party, 2) the defendant registered the domain to prevent the trademark holder from reflecting the mark in a corresponding domain name, 3) the defendant registered the domain primarily for the purpose of disrupting the practices of a competitor, and 4) the defendant used the domain specifically to cause confusion in an attempt to attract consumers to the defendant's web site.²⁶ The bulk of the differences between the UDRP and the ACPA result from the differing procedures and the international application of the UDRP.

Procedurally, the UDRP differs from traditional litigation of the ACPA in a number of respects. First, the default rule is that all submissions to the forum, or communications between the parties, be submitted electronically via e-mail, although the complainant or respondent may request other "reasonably requested preferred means."²⁷ Generally, disputes are resolved based upon written documents only.²⁸ Hearings in person, or even over the phone, are held only in "exceptional circumstances."²⁹ Additionally, the UDRP's notice requirements differ from those of the judiciaries in many countries. A complainant files the complaint with the forum, and the forum forwards a copy to the respondent.³⁰ The respondent has twenty days to respond,³¹ and if the respondent fails to do so, the panel will decide the case based on the complaint.³² Constructive notice is accomplished under the UDRP when the forum sends a copy of the complaint to all postal and facsimile addresses listed in the "Whois database" for the registered

24. In 2009, WIPO adjudicated slightly more than 2000 UDRP claims, while the NAF adjudicated around 1800. See *Total Number of Cases Per Year*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/domains/statistics/cases.jsp>; NAT'L ARBITRATION FORUM, FAST FACTS: DOMAIN NAME DISPUTE RESOLUTION (2010), available at <http://domains.adrforum.com/rcontrol/resources/DomainNameDisputeResolution-FactSheet.pdf>. Neither the ADNRC nor the CAC publishes statistics on the number of cases per year.

25. *UDRP Policy*, *supra* note 18.

26. *Id.*

27. *Rules for UDRP Policy*, *supra* note 20, r. 2.

28. *Id.* r. 13.

29. *Id.*

30. *Rules for UDRP Policy*, *supra* note 20, r. 4.

31. *Id.* r. 5.

32. *Id.* r. 5(e).

domain name holder,³³ which includes the technical contact, the administrative contact, and the billing contacts.³⁴ Another important distinction is that there is no method for appealing a decision of a UDRP panel.³⁵ While a party may file a lawsuit in a court of competent jurisdiction,³⁶ the UDRP creates the curious result of forcing a respondent to affirmatively file a lawsuit in order to maintain a property interest.

Although the UDRP was formulated by ICANN, an organization that operates on behalf of the U.S. government, the policy is applied to domains registered throughout the world. The UDRP is applied to generic top-level domains (gTLDs),³⁷ including .com, .net, .edu, and many other common domains. Additionally, the policy is applied to sixty-two country-code top level domains (ccTLDs), including .fr (France), .mx (Mexico), and .es (Spain).³⁸ Using a single policy to adjudicate disputes related to the internet around the world eliminates confusion and adds a degree of predictability to the field. However, it can also lead to tension. Many countries resisted the UDRP, particularly where its rules conflict with domestic law.³⁹ Understandably, control over UDRP policy is quite political, and the United States is reluctant to cede any of its power over the process.⁴⁰

III. PROBLEMS CAUSED BY CYBERSQUATTING AND RESPONSES TO THOSE PROBLEMS

Cybersquatting harms both trademark holders and consumers alike, while, at least according to some, unjustly benefitting the domain registrant.⁴¹ The trademark holder suffers financial loss when consumers are diverted away from its

33. The Whois service is a compilation of public data on domain names, including contact information of the registrant. *What Is the Whois Database?*, GODADDY.COM (Aug. 4, 2011), <http://support.godaddy.com/help/article/964/what-is-the-whois-database>.

34. *Rules for UDRP Policy*, *supra* note 20, r. 2(a).

35. *Help*, ARB. CTR. FOR INTERNET DISPUTES, <http://www.adr.eu/adr/help/index.php#12> (last visited Apr. 3, 2011) (stating that the decision of the Administrative Panel is not subject to appeal within the scope of the administrative proceeding).

36. *Rules for UDRP Policy*, *supra* note 20, r. 18.

37. *Domain Name Dispute Resolution Service for Generic Top-Level Domains*, ARB. & MED. CTR., WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/domains/gtld/index.html> (last visited Apr. 3, 2011).

38. *Domain Name Dispute Resolution Service for Country Code Top-Level Domains (ccTLDs)*, ARB. & MED. CTR., WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/domains/ccTLD/> (last visited Aug. 22, 2012) [hereinafter *Country Code Domains*].

39. Viktor Mayor Schönberger & Malte Ziewitz, *Jefferson Rebuffed: The United States & the Future of Internet Governance*, 8 COLUM. SCI. & TECH. L. REV. 188, ¶ 16 (2007).

40. *See generally id.* ¶¶ 4, 59–70.

41. *See infra* Part IV.A.

website.⁴² Similarly, consumers are damaged by confusingly similar domain names, increasing the time and expense required to obtain the products or services that they desire.⁴³ The harm to consumers depends upon the level of deception utilized by the cybersquatter, which can become quite significant in cases involving “typosquatting” or even phishing.⁴⁴

Typosquatting refers to the registration of a domain name involving a common typo, such as www.facebook.com.⁴⁵ Such cases can become quite egregious where the registrant solicits account or credit card information or attempts to infect the internet user with a computer virus.⁴⁶ These sites tend to exploit children; 60% target the eighteen-and-under demographic.⁴⁷ This poses serious concerns for parents since many of these sites include advertisements for pornographic websites.⁴⁸ In addition, some argue that it tends to decrease consumer confidence in doing business over the internet.⁴⁹

While cybersquatting is harmful and unfair to both the trademark holder and the consuming public, it often fails to satisfy all of the elements of a trademark infringement claim and therefore does not actually violate any laws enacted prior to the ACPA. As a result, courts initially “stretched” trademark doctrines, and dilution in particular, in order to remedy the situation. A good example of this is a well-known Ninth Circuit case, *Panavision International, L.P. v. Toeppen*.⁵⁰ In that case, the court analyzed the defendant’s conduct through the framework of trademark dilution, a cause of action that allows the owners of sufficiently famous trademarks to prevent others from using the marks in ways that lessen “the capacity of a famous mark to identify and distinguish goods or

42. See generally *Senate Hearing*, *supra* note 8, paras. 98, 99, 137, 146 (finding evidence of harm to the consumer and society as the result of consumer fraud and confusion).

43. *Id.*

44. *Report on Phishing: A Report to the Minister of Pub. Safety & Emergency Preparedness of Canada & the Attorney Gen. of the United States*, BINATIONAL WORKING GROUP ON CROSS-BORDER MARKETING FRAUD 10–11 (Oct. 2006), http://www.justice.gov/opa/report_on_phishing.pdf.

45. See generally Benjamin Edelman, *Large-Scale Registration of Domains with Typographical Errors*, BERKMAN CTR. FOR INTERNET & SOC’Y (2003), http://cyber.law.harvard.edu/archived_content/people/edelman/typo-domains/; Matt Liebowitz, *Typosquatting: Tiny Web Typos Lead to Big Sec. Risks*, SEC. NEWS DAILY (Nov. 1, 2010, 10:19 AM), <http://www.securitynewsdaily.com/typosquatting-social-networking-scam-0245/>.

46. Reid Goldsborough, *The Threat of Typosquatting*, INFO. TODAY, INC. (Jan. 1, 2008), www.infotoday.com/linkup/lud010108-goldsborough.shtml.

47. Ian Williams, *McAfee Warns of Typo-Squatting Epidemic*, V3.CO.UK (Nov. 23, 2007), <http://www.v3.co.uk/vnunet/news/2204173/mcafee-warns-typo-squatters>.

48. Internet security firm McAfee found that approximately 2.4% of all typosquatter cites included some adult content. See *id.*

49. Greg Masters, *Victory for Enterprises in Typosquatting Case*, SC MAG. (Dec. 29, 2008), <http://www.scmagazineus.com/victory-for-enterprises-in-typosquatting-case/article/123369/>.

50. *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998).

services” or tarnish its reputation.⁵¹ In holding that the defendant had diluted the plaintiff’s mark, the court reasoned that the defendant had used the mark for a commercial use, one of the elements of dilution.⁵² While the court acknowledged that case law supported the defendant’s argument that merely registering a domain does not constitute commercial use,⁵³ it nevertheless found a commercial use in registering the domain because doing so curtailed the trademark holder’s use of its marks on the internet.⁵⁴

Infringement of a mark through the use of an internet domain and dilution of the mark are distinct issues. Cybersquatting limits a trademark holder’s ability to distinguish its goods and services on the internet, whereas dilution decreases the uniqueness of a mark.⁵⁵ Thus, using the dilution framework to address cybersquatting led to a distortion of dilution case law and actually allowed an infringing party to get away with cybersquatting rather easily. Under the dilution framework, a cybersquatter needed to prove only that it had not used a mark for a commercial use (as interpreted by most courts) or that it used a mark that was not sufficiently famous to receive protection under the dilution statute.⁵⁶ As a result, many infringers allowed their domains to lie dormant, thereby avoiding any commercial use, while waiting for the mark holders to instigate action against them.⁵⁷

The ACPA did a great deal to address the issues of cybersquatting. For the first time, trademark holders could file suit against cybersquatters without resorting to novel and somewhat misleading dilution arguments. Thus, the ACPA provides trademark holders with a more effective way to combat cybersquatting while keeping the dilution framework from becoming distorted. Unfortunately, a claim under the ACPA requires the plaintiff to file a federal lawsuit, which brings with it all the time and expenses associated with typical litigation.⁵⁸ These costs are extreme in comparison to the fast and relatively inexpensive process required to register a domain name.⁵⁹ As a result, trademark holders sought a more efficient process for dealing with the ever-increasing problem of cybersquatting.⁶⁰

The UDRP addressed many of these issues. It created a fast and cheap administrative mechanism for dealing with cybersquatting, and is particularly

51. *Id.* at 1326; 15 U.S.C. § 1125(c).

52. *Panavision*, 141 F.3d at 1325–27.

53. *Id.* at 1324.

54. *Id.* at 1325.

55. *Compare* 15 U.S.C. § 1125(a), *with* § 1125(c).

56. Louden et al., *supra* note 9, at 5–6.

57. *Id.*

58. *See* 15 U.S.C. § 1125(d). If not settled, these cases can take years to resolve. Michael N. Cohen, *What is Cybersquatting & What Can Be Done About It? ACPA or UDRP?* (2007), available at <http://www.patentlawip.com/resources/Cybersquatting+and+Domain+Names.pdf>.

59. *See, e.g., WIPO Guide to the UDRP, supra* note 17, pt. B.

60. WIPO FINAL REPORT, *supra* note 16 (noting that intellectual property right owners viewed the mechanisms to prosecute cybersquatting as “expensive, cumbersome, and ineffective”).

well-suited given the sheer volume of cases and the international character of domain names. Over the past several years, the number of complaints of cybersquatting has risen tremendously.⁶¹ Furthermore, each complaint tends to involve more than one disputed domain name.⁶² Such a large caseload clearly benefits from the fast and inexpensive procedure of the UDRP.⁶³ Additionally, cybersquatting cases tend to be extremely blatant, as illustrated by the *Panavision* case, and therefore are particularly suited for a streamlined administrative procedure.⁶⁴ In *Panavision*, the plaintiff initially sent a letter to the defendant, Dennis Toeppen, requesting that he cease his use of the domain name Panavision.com.⁶⁵ Toeppen responded via letter by asserting that he had the right to use the domain name and requested \$13,000 to “settle the matter.”⁶⁶ The letter read, in pertinent part:

If your attorney has advised you otherwise [that Toeppen did not have any right to Panavision.com], he is trying to screw you. He wants to blaze new trails in the legal frontier at your expense. Why do you want to fund your attorney's purchase of a new boat (or whatever) when you can facilitate the acquisition of 'Panavision.com' cheaply and simply instead?⁶⁷

Additionally, Toeppen stated that if Panavision accepted the offer, he would agree to not “acquire any other internet addresses which are alleged by Panavision Corporation to be its property.”⁶⁸ When Panavision declined the offer, Toeppen registered the domain name panaflex.com,⁶⁹ another Panavision trademark. This fact pattern is common among cybersquatting cases.⁷⁰

The UDRP also is applied to many countries throughout the world, allowing trademark holders with domain names in several countries to adjudicate them simultaneously.⁷¹ On the other hand, one of the complaints about the ACPA

61. As of 2000, the UDRP had been applied to only slightly more than 2,000 proceedings, whereas WIPO alone adjudicated nearly 2,700 last year. Compare MILTON MUELLER, *ROUGH JUSTICE: AN ANALYSIS OF ICANN'S UNIFORM DISPUTE RESOLUTION POLICY 1* (2000), available at <http://dcc.syr.edu/PDF/roughjustice.pdf>, with *Total Number of Cases Per Year*, *supra* note 24.

62. The average UDRP dispute involves 1.7 domain names. MUELLER, *supra* note 61, at 6.

63. The typical UDRP adjudication lasts less than sixty days and costs less than \$5,000. *WIPO Guide to the UDRP*, *supra* note 17, pt. B.

64. *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998).

65. *Id.* at 1319.

66. *Id.*

67. *Id.*

68. *Id.*

69. *Panavision*, 141 F.3d at 1319.

70. See, e.g., *PETA v. Doughney*, 263 F.3d 359, 363–64 (4th Cir. 2001) (noting that the defendant actively solicited a settlement offer in finding that he registered peta.org).

71. An exhaustive list is available at Country Code Domains, *supra* note 38.

is that it governs only domain names registered in the United States.⁷² This means that a company with several domain names registered in various countries throughout the world would have to file separate suits elsewhere to protect its trademark. For example, BMW could file a claim for cybersquatting of BMW.com under the ACPA, but would have to file a separate claim in Germany to protect its trademark in bmw.de. Under the UDRP, the company could litigate both claims simultaneously in a singular proceeding. However, this increased efficiency creates the potential for infringing the legitimate rights of property owners, as demonstrated in the subsequent section.

IV. PROBLEMS CAUSED BY THE UDRP

While the UDRP offers a number of advantages, it also includes a number of problems. The UDRP is extremely efficient, but it also tends to unfairly favor trademark holders, chill free speech, violate constitutional protections concerning the unlawful deprivation of property, and expand the limits of cybersquatting. This section outlines some of these problems in the context of both the United States and foreign jurisdictions.

A. Problems with the UDRP in the United States

Criticism of UDRP bias toward trademark holders focuses on the high level of influence exerted by trademark owners and corporate interests,⁷³ lack of choice-of-law rules,⁷⁴ lack of clear oversight or appeal process,⁷⁵ and the over-expansion of the rules themselves by arbiters.⁷⁶ The tenuous position of the UDRP—a formally private entity based on U.S. law, adjudicating disputes between parties located all over the world with little or no input from foreign governments—leaves it vulnerable to corporate influence. One commentator noted that “ICANN faces swift dispatch if it strays too far from the desires of . . . powerful corporate interests.”⁷⁷ Accordingly, many rules are slanted toward trademark holders. This is true not only of procedural rules, which generally provide fewer protections for respondents than do domestic laws,⁷⁸ but also of substantive laws. Despite the frequency of choice-of-law issues in the context of

72. See, e.g., Cohen, *supra* note 58 (noting that the UDRP is more suitable to resolution of international domains based on the ex parte nature of the proceeding).

73. Jonathan Zittrain, *ICANN: Between the Public & the Private Comments Before Congress*, 14 BERKELEY TECH. L. J. 1071, 1091 (1999).

74. Elizabeth G. Thornburg, *Fast, Cheap, & Out of Control: Lessons from the ICANN Dispute Resolution Process*, 6 J. SMALL & EMERGING BUS. L. 191, 208–13 (2002).

75. *Id.* at 224.

76. *Id.* at 212–13.

77. Zittrain, *supra* note 73, at 1091.

78. See *infra* Part IV.B.1–3.

internet governance, the UDRP offers little guidance to arbiters in terms of which law it should apply. Instead of directing them to apply particular laws, the policy gives panelists the freedom to apply "any rules and principles of law . . . deem[ed] applicable."⁷⁹ Given the influence of trademark holders and the fact that they generally pay the panelists' fees, the temptation to select laws more favorable to trademark holders appears quite evident.⁸⁰

This criticism is bolstered by empirical evidence. An early report conducted between 1999 and 2000 found that approximately 34% of all cases resulted in default and that approximately 98% of defaults resulted in a transfer of the domain name to the complainant.⁸¹ Overall, complainants prevailed in more than 78% of cases,⁸² although this number dropped to 51% in cases where the respondent actually contested the proceeding.⁸³ The report found that rampant forum shopping was at least partially to blame, in addition to the fact that complainants pay for panelists' fees.⁸⁴ In support of this contention, the report pointed to the fact that WIPO, the dispute resolution forum with the highest success rate for complainants (82%),⁸⁵ was also the most popular dispute resolution forum.⁸⁶ This was true despite the fact that WIPO took comparatively longer than the NAF to render a decision, generally taking about forty-five days as opposed to the thirty-seven days for the NAF.⁸⁷ ICANN has since published its own statistics, finding that complainants prevailed in about 80% of all panel decisions.⁸⁸ These statistics indicate that the UDRP, as it is currently administered, is not entirely fair to domain registrants.

This lack of fairness is manifested in the manner in which the UDRP tends to chill free speech and undermine due process. This is true both in the United States and in foreign countries, where the effect is compounded by conflict-of-law issues. These concerns have often been dismissed because the UDRP was created by ICANN, formally a private corporation, and because UDRP decisions are not technically binding.⁸⁹ However, both of these arguments lack merit, and there remains no principled reason to allow the UDRP to facilitate systemic violations of the U.S. Constitution.

79. *Rules for UDRP Policy*, *supra* note 20, r. 15.

80. *WIPO Guide to the UDRP*, *supra* note 17, pt. B (noting that complainants choose the dispute resolution service provider, pay all fees, and generally choose the panel size).

81. MUELLER, *supra* note 61, at 12.

82. *Id.* at 10.

83. *Id.* at 12.

84. *Id.* at 14–15.

85. *Id.* at 16.

86. MUELLER, *supra* note 61, at 12.

87. *Id.* at 17.

88. See *Archived Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, ICANN (May 10, 2004), <http://www.icann.org/en/udrp/proceedings-stat.htm>.

89. UDRP decisions are not binding in that one may challenge a UDRP decision in a court within ten days of the panel decision; otherwise the domain name is transferred. *UDRP Policy*, *supra* note 18, sec. 4(k).

1. ICANN is a State Actor and Therefore is Subject to the Constraints of the U.S. Constitution

Although ICANN is formally a private entity, it derives its authority from its relationship with the U.S. Department of Commerce.⁹⁰ The structure of ICANN, as well as the framework for the UDRP, is based upon the “White Paper,” a rulemaking issued by the National Telecommunications and Information Administration within the Department of Commerce.⁹¹ ICANN’s authority directly derives from a Memorandum of Understanding with the Department of Commerce.⁹² In fact, the Department of Commerce reserves the right to terminate ICANN’s authority, given a 120-day notice.⁹³ Despite ostensibly operating as a private corporation, complete with a board of directors and bylaws, ICANN is for all intents and purposes a state actor.

Given ICANN’s relationship with the Department of Commerce and its purely governmental function in regulating internet governance, it is a state actor within the U.S. “state action” doctrine.⁹⁴ This doctrine creates liability in the government for the activities of private parties where a private party can fairly be described as acting with governmental authority.⁹⁵ ICANN’s activities in creating the UDRP are so dominated by the governmental authority conferred by the Department of Commerce that it can fairly be described as an agent of the Department of Commerce. Accordingly, its activities are subject to the constraints imposed by the First and Fifth Amendments of the U.S. Constitution.

2. First Amendment Concerns in the United States

Each element of the UDRP that a complainant must establish in order to prevail on a claim implicates the First Amendment, and panel decisions on each element tend to violate the First Amendment rights of respondents. The first element that a complainant must prove is that the “domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights.”⁹⁶ Panel decisions tend to violate respondents’ First Amendment rights by

90. See Memorandum of Understanding, *supra* note 1.

91. See Management of Internet Names and Addresses, *supra* note 2.

92. See Memorandum of Understanding, *supra* note 1.

93. A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA & the Constitution*, 50 DUKE L.J. 17, 85 (2000).

94. See *Edmonson v. Leesville Concrete Co.*, 500 U.S. 614, 620 (1991).

95. Jennifer Arnette-Mitchell, *State Action Reborn Again: Why the Constitution Should Act as a Checking Mechanism for ICANN’s Uniform Dispute Resolution Policy*, 27 HAMLINE J. PUB. L. & POL’Y 307, 335 (2006).

96. *UDRP Policy*, *supra* note 18, sec. 4(a)(i).

construing “confusingly similar” broadly—much broader than the manner in which federal courts have interpreted the term.⁹⁷

Perhaps the best illustration of this is a string of “sucks” cases adjudicated by UDRP panelists. In those cases, the respondent registered a domain consisting of a popular trademark followed by the word “sucks,” such as “philipssucks.com.”⁹⁸ A majority of the panels generally found that such domains violate the UDRP,⁹⁹ though the reasoning varied somewhat among panels. The first approach was to find confusing similarity where the domain name included the trademark, regardless of any other terms included in the domain name.¹⁰⁰ Alternatively, the second approach found confusing similarity on the basis that the domain name could reasonably be confused with the trademark holder’s official complaint site.¹⁰¹ Courts reasoned that non-English-speaking consumers could be confused by the use of the term “sucks.”¹⁰² A minority of panelists found no confusing similarity because the term “sucks” served as a clear indication that the domain was not affiliated with the trademark; however, this was only the minority view.¹⁰³

This broad construction of the “confusingly similar” element infringes domain holders’ First Amendment rights. Criticism, such as an assertion that a particular brand or company “sucks,” clearly fall within the First Amendment’s

97. *Compare* Koninklijke Philips Elecs. N.V. v. In Seo Kim, UDRP-ARB Case No. D2001-1195, 2001 WL 1694155, *2, 2001 UDRP LEXIS 1232, *4 (World Intell. Prop. Org. Arb. & Med. Ctr. Nov. 12, 2001) (Turner, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1195.html> (noting that the majority view in the line of “sucks” cases is to find a bad faith registration), *with* Taubman Co. v. Webfeats, 319 F.3d 770, 778 (6th Cir. 2003) (recognizing that “the First Amendment protects critical commentary when there is no confusion as to source, even when it involves criticism of a business”).

98. *Koninklijke Philips Elecs.*, 2001 WL 1694155, *1, 2001 UDRP LEXIS 1232, *1.

99. *See id.* at *2, 2001 UDRP LEXIS 1232, *4; Arnette-Mitchell, *supra* note 95, at 328–29.

100. *See, e.g.*, Wal-Mart Stores, Inc. v. MacLeod, UDRP-ARB Case No. D2000-0662, 2000 WL 35602960, 2000 UDRP LEXIS 506 (World Intell. Prop. Org. Arb. & Med. Ctr. Sept. 19, 2000) (Bernstein, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0662.html>.

101. *See, e.g.*, Full Sail, Inc. v. Spevack, UDRP-ARB Case No. D2003-0502, 2003 WL 23507581, *3, 2003 UDRP LEXIS 496, *9 (World Intell. Prop. Org. Arb. & Med. Ctr. Oct 3, 2003) (Partridge, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0502.html>.

102. *See, e.g., id.*, at *4, 2003 UDRP LEXIS 496, *8.

103. *See, e.g.*, Lockheed Martin Corp. v. Parisi, UDRP-ARB Case No. D2000-1015, 2001 WL 1705134 (World Intell. Prop. Org. Arb. & Med. Ctr. Jan 26, 2001) (Foster & Sorkin, Arbs.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-1015.html>; *Koninklijke Philips Elecs.*, 2001 WL 1694155, *2, 2001 UDRP LEXIS 1232, *4.

protection of freedom of speech.¹⁰⁴ Panelists tend to find that the First Amendment is not implicated in these cases because the domain name holders could have exercised their freedom of speech by selecting a different, non-infringing domain name.¹⁰⁵ However, such a finding abrogates much of the effect of the amendment by removing its protection where it is most relevant. The likely impact of these decisions will be to chill legitimate criticism.

The second element that a complainant must establish is that the respondent has “no rights or legitimate interests in respect of the domain name.”¹⁰⁶ Panel decisions here tend to be heavily colored by their determination of the first element.¹⁰⁷ Once a panel finds that a domain name is confusingly similar to a trademark or service mark, the panelists tend to assume that the respondent has no rights or legitimate interests in the domain.¹⁰⁸ Even where the respondent has a legitimate First Amendment interest in criticizing the complainant’s company or brand, UDRP panels tend to hold that the use of a confusingly similar domain name cannot be a legitimate use because the registrant could have exercised that right in a way that did not create confusion.¹⁰⁹ As with the first issue, panelists reason that the respondent could have exercised his or her First Amendment rights by registering a domain that did not create a likelihood of confusion.¹¹⁰ The first issue is therefore conclusive of the second, and both determinations tend to abrogate the value and intent of the First Amendment.

The third element that a complainant must establish is bad faith.¹¹¹ Generally, the fact that the respondent is not actually using a domain name is evidence of a bad faith registration. The reasoning is that a lack of use indicates that a respondent simply registered the domain name to later sell it to the trademark owner.¹¹² Similar evidence, though more egregious, exists where the respondent actually requested payment from the trademark owner.¹¹³ In less clear

104. U.S. case law is uniform in providing First Amendment protection for public criticism of private parties. Additionally, the Irish Constitution explicitly provides protection for criticism. IR. CONST., 1937, art. 40(6)(i).

105. *See, e.g., Royal Bank of Scot. Grp. v. Lopez*, UDRP-ARB Case No. D2003-0166, 2003 WL 21153321, 2003 UDRP LEXIS 159, *29–30 (World Intell. Prop. Org. Arb. & Med. Ctr. May 9, 2003) (Barbero, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0166.html>; Arnette-Mitchell, *supra* note 95 at 331.

106. *UDRP Policy*, *supra* note 18, sec. 4(a)(ii).

107. *See, e.g., Royal Bank of Scot. Grp.*, 2003 WL 21153321, 2003 UDRP LEXIS 159; Arnette-Mitchell, *supra* note 95, at 331.

108. *See, e.g., Royal Bank of Scot. Grp.*, 2003 WL 21153321, 2003 UDRP LEXIS 159, *30; Arnette-Mitchell, *supra* note 95, at 331.

109. *See, e.g., Royal Bank of Scot. Grp.*, 2003 WL 21153321, 2003 UDRP LEXIS 159; Arnette-Mitchell, *supra* note 95, at 331.

110. Arnette-Mitchell, *supra* note 95, at 331.

111. *UDRP Policy*, *supra* note 18, sec. 4(a)(iii).

112. Arnette-Mitchell, *supra* note 95, at 331–32.

113. *See, e.g., Salvation Army v. Info-Bahn, Inc.*, UDRP-ARB Case No. D2001-0463, 2001 WL 1701003, *7, 2001 UDRP LEXIS 820, *19 (World Intell. Prop. Org. Arb. &

cases, panels tend to treat the three elements as factors and decide the case in favor of the complainant when any two of the three favor the complainant.¹¹⁴ However, this is erroneous because the UDRP rules explicitly state that “the complainant must prove that each of these three elements are present.”¹¹⁵ The effect is to preclude the panelist from engaging in any First Amendment balancing test to weigh the pros and cons of allowing the respondent to maintain possession of the domain.¹¹⁶

3. Procedural Due Process Concerns in the United States

The extremely fast process of the UDRP raises procedural due process concerns regarding the deprivation of property rights. Determining the requisite level of procedural due process involves a weighing of the private interest affected, the risk of erroneous deprivation, the probable value of additional safeguards, and the government's interest, which includes any fiscal or administrative burdens associated with additional safeguards.¹¹⁷ Courts generally conclude that domain names are a property right and are therefore subject to both substantive and procedural due process.¹¹⁸ However, the extremely fast UDRP procedure carries a high risk of erroneous deprivation. Notice is considered effective from the time the complaint is sent to the respondent, rather than the date that the respondent actually receives notice.¹¹⁹ If the respondent does not respond within twenty days of the complaint being sent, a default judgment will be entered even if the respondent had not actually received the complaint at that time.¹²⁰ Many commentators have criticized this policy as too fast, creating the potential for erroneous deprivations or unfair results.¹²¹ The large number of defaults, as well as the much greater success rates for claimants in the case of a default, indicates that this procedure does in fact lead to erroneous deprivations of property.

These problems are exacerbated by the fact that the UDRP does not contain any mechanism for appeal of a panel's decision.¹²² Instead, a respondent

Med. Ctr. May 10, 2001) (Gaum, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-0463.html>; Arnette-Mitchell, *supra* note 95, at 332.

114. See, e.g., *Wachovia Corp. v. Flanders*, UDRP-ARB Case No. D2003-0596, 2003 WL 23354149, *3, 2003 UDRP LEXIS 461, *7 (World Intell. Prop. Org. Arb. & Med. Ctr. Sept. 19, 2003) (Franklin, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0596.html>; Arnette-Mitchell, *supra* note 95, at 332.

115. Arnette-Mitchell, *supra* note 95, at 332.

116. *Id.*

117. *Mathews v. Eldridge*, 424 U.S. 319, 334 (1976); Arnette-Mitchell *supra* note 95, at 333.

118. See, e.g., *Kremen v. Cohen*, 337 F.3d 1024, 1033–34 (9th Cir. 2003).

119. *UDRP Policy*, *supra* note 18, sec. 4(c).

120. *Id.* secs. 5(a), 5(e).

121. See, e.g., *Thornburg*, *supra* note 74, at 208–13.

122. See *UDRP Policy*, *supra* note 18; *Rules for UDRP Policy*, *supra* note 20.

must file a lawsuit in a court of competent jurisdiction to challenge a panel's decision.¹²³ This has the bizarre effect of forcing the owner of a domain name to file a lawsuit to retain a property right.

B. Problems with the UDRP in Foreign Countries

The constitutional concerns raised by the application of the UDRP in the United States also are felt abroad, given that many foreign constitutions contain protections similar to those found in the U.S. Constitution. In addition, when foreign parties adjudicate disputes through the UDRP, U.S. law is applied, which can create problems where the UDRP conflicts with domestic law. Because there is remarkably little literature devoted to these issues, this section will use a case study to help illustrate this concern. In particular, the constitutions and domestic law of three countries (Spain, Ireland, and France) directly conflict with the UDRP, but domain names are nonetheless subjected to UDRP adjudication. In each of these countries, the UDRP as it is currently applied systemically violates their domestic constitutions. While each country uses its own supplemental UDRP rules, these rules do not alleviate the constitutional concerns raised by UDRP application and still often conflict with domestic law. Seemingly in recognition of this fact, France recently passed a statute reforming domain name dispute resolution, which suspended application of the UDRP to .fr domain names pending approval of a new policy by the Minister of Communications.¹²⁴ This calls into question not only the future of the UDRP with respect to .fr domain names, but also the future viability of the UDRP as a whole, and it underscores the need for reform.

1. Application of the UDRP to .es Domains, Spain's Top-Level Country Code

In applying the UDRP to a Spanish domain, panelists use Spain's supplemental rules.¹²⁵ However, these supplemental rules do not significantly

123. *UDRP Policy*, *supra* note 18, sec. 4(k).

124. Loi 2011-302 du 22 mars 2011 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière de santé, de travail et de communications électroniques, [Law 2011-302 of March 22, 2011 making various adaptations to European Union health, right-to-work, and electronic communications law] JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], Mar. 22, 2011, p. 5186 [hereinafter Law 2011-302].

125. RED.ES., INSTRUCCIÓN DEL DIRECTOR GENERAL DE LA ENTIDAD PÚBLICA EMPRESARIAL RED.ES POR LA QUE SE ESTABLECE EL REGLAMENTO DEL PROCEDIMIENTO DE RESOLUCIÓN EXTRAJUDICIAL DE CONFLICTOS PARA NOMBRES DE DOMINIO BAJO EL CÓDIGO DE PAÍS CORRESPONDIENTE A ESPAÑA (“.ES”). [RULES OF PROCEDURE FOR DISPUTE RESOLUTION FOR DOMAIN NAMES UNDER THE COUNTRY CODE FOR SPAIN] (2005), *available at*

differ from standard UDRP rules.¹²⁶ Importantly, the supplemental rules fail to bring the UDRP in line with Spanish law.

The Spanish Constitution contains specific provisions ensuring freedom of speech and safeguards against deprivations of property.¹²⁷ Section 20 of the Spanish Constitution confers broad protections for the dissemination of information.¹²⁸ This section ensures protection for “the right to freely express and spread thoughts, ideas, and opinions through words, in writing, or by any other means of reproduction.”¹²⁹ The provision has been broadly construed and was recently used to hold a statute unconstitutional that criminalized denials of genocide.¹³⁰ In reaching this decision, the Spanish Constitutional Court stated that all expression is protected unless it violates a different, substantive right guaranteed by the constitution.¹³¹

This standard strongly contrasts with that applied by the UDRP. As discussed earlier,¹³² UDRP panels tend to disregard the rights of domain registrants to criticize trademark holders. Such criticism would likely constitute protected expression under the Spanish Constitutional Court’s jurisprudence. Accordingly, the UDRP, as it is currently applied in Spain, falls short of the protections of freedom of speech guaranteed by the Spanish Constitution.

Similarly, the UDRP procedure seems to violate both constitutional and statutory safeguards against the unlawful deprivation of property. Section 33 of the Spanish Constitution ensures that “[n]o one shall be deprived of his or her property and rights, except on justified grounds of public utility or social interest

<https://www.nic.es/media/2007-12/1197031617037.pdf> [hereinafter Spanish supplemental UDRP rules].

126. The primary difference between standard UDRP rules and the supplemental .es rules is that .es adjudication applies to intellectual property rights beyond trademarks. Compare *id.* art. 2, with *UDRP Policy*, *supra* note 18, sec. 4. This Note will continue to focus exclusively on adjudicating trademark claims to domain names through the UDRP.

127. CONSTITUCIÓN ESPAÑOLA [C.E.], B.O.E. no. 311, arts. 20, 33, 53, Dec. 29, 1978 (Spain), available at <http://www.boe.es/aeboe/consultas/enlaces/documentos/ConstitucionCASTELLANO.pdf>.

128. *Id.* art. 20.

129. *Id.*

130. S.T.C., Nov. 7, 2007 (S.T.C., No. 235/2007, ¶ 9) (Spain), available at <http://www.tribunalconstitucional.es/es/jurisprudencia/restrad/Paginas/JCC2352007en.aspx>. This case involved criminal prosecution of the defendant for advocating neo-Nazi ideals under Article 607 of the Spanish Criminal Code, which prohibited “dissemination through any medium of ideas or theories which deny or justify the offences classified in the previous paragraph of this article, or which attempt to rehabilitate systems or institutions which harbor practices which generate such crimes.” *Id.* ¶ 1. The Court held the statute unconstitutional to the extent that it criminalized expression that did not directly incite crimes such as genocide. *Id.* ¶ 9.

131. *Id.* ¶ 4.

132. Koninklijke Philips Elecs. N.V. v. In Seo Kim, UDRP-ARB Case No. D2001-1195, 2001 WL 1694155, *2, 2001 UDRP LEXIS 1232, *4 (World Intell. Prop. Org. Arb. & Med. Ctr. Nov. 12, 2001) (Turner, Arb.), available at <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1195.html>.

and with a proper compensation in accordance with the law.”¹³³ Furthermore, Section 53 states that any person asserting a claim to protect his or her constitutional rights must be provided with a hearing and a procedure to appeal the decision.¹³⁴ In contrast, the UDRP procedure does not guarantee the right to a hearing, and contains no mechanism for appeal.¹³⁵ As applied to .es domain names, the UDRP falls well short of the procedural safeguards guaranteed by the Spanish Constitution.

Although the UDRP rules are quite similar to Spanish trademark law, the manner in which UDRP rules and Spanish trademark law are applied differs significantly. To prevail on a trademark infringement claim in Spain, a plaintiff must establish either: 1) that the defendant used a sign identical to the plaintiff's mark on goods or services identical to those for which the trademark has been registered;¹³⁶ 2) that the defendant used a sign that is identical or similar to a registered trademark, such that is likely to cause confusion as to the association between the product and the sign;¹³⁷ or 3) the defendant used an identical or similar sign used on goods that are not similar to those which the mark is registered for, but the use could indicate a connection between the goods and the trademark owner that may take unfair advantage of the distinctive trademark, or be detrimental to the trademark.¹³⁸ Additionally, the Spanish Trademark Act creates a statutory fair use defense.¹³⁹ Therefore, while this substantive law is very similar to that of the UDRP, the manner in which the law is applied differs significantly.

UDRP panelists tend to ignore or pay inadequate attention to fair use defenses, despite the fact that they are expressly provided for in many national trademark statutes.¹⁴⁰ UDRP panels tend to ignore or undervalue the role of the second element required by the UDRP rules, which requires a showing that the registrant had no rights or legitimate interests in the domain name.¹⁴¹ This is important because the second element is the one that incorporates the fair use defense codified in most trademark statutes. Ignoring or paying inadequate attention to this requirement constitutes a departure from the UDRP rules and leads to a direct conflict with domestic law. In addition, such a rule places a heavy burden on the public. Limited monopolies granted to trademark holders

133. C.E., B.O.E., § 33.

134. *Id.* § 53(2).

135. *Help, supra* note 35, no. 10.2; *Rules for UDRP Policy, supra* note 20, r. 13.

136. Trademark Act art. 34(2)(a) (B.O.E. 2001, 295) (Spain), *available at* http://www.jpo.go.jp/shiryu_e/s_sonota_e/fips_e/pdf/spain/e_shouhyou.pdf.

137. *Id.* art. 34(2)(b).

138. *Id.* art. 34(2)(c).

139. *Id.* art. 38.

140. Arnette-Mitchell, *supra* note 95, at 331.

141. *See, e.g.,* Royal Bank of Scot. Grp. v. Lopez, UDRP-ARB Case No. D2003-0166, 2003 WL 21153321, 2003 UDRP LEXIS 159 (World Intell. Prop. Org. Arb. & Med. Ctr. May 9, 2003) (Barbero, Arb.), *available at* <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0166.html>; Arnette-Mitchell, *supra* note 95, at 331.

burden the public by constraining its use of language, as well as stifling potentially beneficial activity. The statutory fair use defense indicates a clear intent on the part of the Spanish legislature to limit this burden on the public by ensuring that fair uses are protected. This raises real concerns about the legitimacy and constitutionality of UDRP resolution of domain names registered under the Spanish country code.

2. Application of the UDRP to .ie Domains, Ireland's Top-Level Country Code

Panelists adjudicating .ie domains apply Ireland's supplemental UDRP rules, referred to as the ieDRP.¹⁴² However, as with .es domains,¹⁴³ the supplemental ieDRP rules do not significantly differ from the UDRP rules.¹⁴⁴ Additionally, the same constitutional concerns regarding freedom of speech, deprivation of property, and conflicts with domestic law surface with the ieDRP.

Article 40 of the Irish Constitution guarantees the right to free speech.¹⁴⁵ This ensures protection for the "right of the citizens to express freely their convictions and opinions."¹⁴⁶ The provision is subject to "public order or morality,"¹⁴⁷ and the article explicitly criminalizes "blasphemous, seditious, or indecent matter."¹⁴⁸ However, neither of these provisions has ever been successfully invoked, and the Irish Supreme Court recently stated that "it is impossible to say of what the offence of blasphemy consists."¹⁴⁹ In that case, the Irish Supreme Court was faced with addressing whether a satirical cartoon was protected speech or constituted the type of blasphemy specifically prohibited by the provision.¹⁵⁰ The cartoon in question criticized Catholic teachings regarding divorce in the wake of the 1995 referendum that repealed the constitutional

142. *Dispute Resolution Policy*, IRELAND'S DOMAIN REGISTRY, http://www.domainregistry.ie/index.php?option=com_content&view=article&id=74&Itemid=90 (last visited Aug. 23, 2012).

143. *Supra* Part IV.B.1.

144. There are two differences. First, ieDRP adjudication applies to "personal identifiers" that are somewhat broader than trademarks. Second, the ieDRP requires that an applicant prove that either registration or use of a domain was in bad faith, not both as under the UDRP. Neither of these distinctions is relevant for the purposes of this Note. Compare *Dispute Resolution Policy*, *supra* note 142, with *Rules for UDRP Policy*, *supra* note 20.

145. IR. CONST., 1937, art. 40.

146. *Id.* art. 40(6)(i).

147. *Id.*

148. *Id.*

149. The blasphemy provision has been invoked in only one case, *Corway v. Indep. Newspapers*, [1999] 4 I.R. 485 (Ir.), available at <http://www.bailii.org/ie/cases/IESC/1999/5.html>.

150. *Id.* ¶¶ 2, 10.

prohibition of divorce.¹⁵¹ Although Catholic teachings are among the most revered in Irish culture, the Court nonetheless found that the criticism was protected.¹⁵² This decision stands in stark contrast to the UDRP's narrow view of the right to free speech, illustrated both through its extremely broad construction of the phrase "confusingly similar"¹⁵³ and its narrow view of the respondent's "rights or legitimate interests in the domain name."¹⁵⁴

In contrast to its protections of speech, the Irish Constitution offers little in regard to safeguards against the unlawful deprivation of private property.¹⁵⁵ Nonetheless, Irish courts have recognized a constitutional right to both procedural and substantive due process as necessary safeguards against governmental deprivation of private property.¹⁵⁶ The ieDRP appears to violate these protections, both procedurally and substantively. While procedural requirements in Ireland vary somewhat depending on the court, personal service is generally required where "reasonably practicable."¹⁵⁷ In order to avoid this requirement, a party must show that he or she exercised reasonable diligence in attempting to effect personal service.¹⁵⁸ In such a case, service may be accomplished by delivering a copy of the complaint to the defendant's home or place of business.¹⁵⁹ This requirement goes well beyond the UDRP rules, which allow service to be accomplished through electronic means, such as an e-mail.¹⁶⁰

Furthermore, ieDRP rules directly conflict with Irish trademark law. The Irish Trademarks Act of 1996 is very similar to the relevant trademark statutes of the United States, France, and Spain, and requires that a plaintiff establish that the defendant either: 1) used an identical mark in connection to identical goods or services; 2) registered either an identical or a similar mark on goods or services similar to those for which the mark was registered, and that doing so created a likelihood of confusion; or 3) used an identical or similar mark in connection with goods or services that are not similar to those for which the mark was registered, but that doing so takes advantage of or is detrimental to the distinctive mark.¹⁶¹ Like the trademark statutes of the United States, France, and Spain, the Irish

151. *Id.* ¶ 5.

152. *Id.* ¶¶ 40, 41.

153. *See supra* Part IV.A.2.

154. *Id.*

155. The Constitution merely acknowledges the right to hold private property, but notes that the exercise of this right may be limited as required by "the exigencies of the common good." IR. CONST., art. 43.

156. *See, e.g.,* Buckley v. Att'y Gen., [1947] I.R. 67, 70 (Ir.).

157. Rules of the Superior Courts, Order 9, ¶ 2 (2012) (Ir.), available at <http://www.courts.ie/rules.nsf/8652fb610b0b37a980256db700399507/e0b5fdf14c8d3ac980256d2b0046b3d1?OpenDocument>.

158. *Id.*

159. *Id.*

160. *Rules for UDRP Policy, supra* note 20, r. 4.

161. Trade Marks Act 1996, § 14 (Act No. 6/1996) (Ir.), available at <http://www.irishstatutebook.ie/1996/en/act/pub/0006/index.html>.

statute also outlines a fair use defense.¹⁶² To the extent that a fair use defense exists in the UDRP rules, it tends to be ignored by panelists.¹⁶³ This has the effect of creating a strong bias in favor of trademark holders at the expense of protections against unlawful deprivations of property and guarantees over freedom of speech.

3. Application of the UDRP to .fr, France's Top-Level Country Code

France presents probably the most noteworthy application of the UDRP because the French Parliament has actually suspended application of the UDRP to France's country-code top-level domains, namely .fr domains. On March 22, 2011, the French Parliament passed Act No. 2011-302, which requires the approval of dispute resolution procedure by the French Minister of Communications before it can be applied to .fr domains.¹⁶⁴ This statute appears to recognize the fact that the UDRP, as previously applied, was highly inconsistent with French law.

The UDRP had applied a supplemental set of rules when adjudicating a .fr domain name, as promulgated by the French Association for Internet Cooperative Association, but the procedure differed very little from the standard UDRP.¹⁶⁵ A respondent had twenty days to respond to the complaint,¹⁶⁶ defaults were treated in the same manner,¹⁶⁷ and there were no procedural safeguards contained in the supplemental rules.¹⁶⁸ Overall, the supplemental rules were nearly identical to the general UDRP rules.

These procedures, although tailored to the adjudication of domain names registered under the French country code, still violated a number of substantive and procedural protections contained in French law. Unlike the U.S. Constitution, the French Constitution defers to other instruments for a number of important

162. *Id.* § 15.

163. *See supra* Part IV.A.2.

164. Law 2011-302, *supra* note 124.

165. The primary distinction between the UDRP and the supplemental rules for .fr domains is that the UDRP proceedings involving .fr domains extend beyond trademarks to other types of intellectual property. *Compare Rules for UDRP Policy, supra* note 20, with *Réglement sur la Procédure alternative de résolution de litiges du .fr et du .re par décision technique*, art. 1, WORLD INTELL. PROP. ORG. (July 22, 2008), <http://www.wipo.int/amc/fr/domains/rules/cctld/fr/index.html> [hereinafter *Dispute Resolution Rules for .fr & .re Domain Names*].

166. *Compare Dispute Resolution Rules for .fr & .re Domain Names, supra* note 165, art. 15, with *Rules for UDRP Policy, supra* note 20, r. 5(a).

167. *Compare Dispute Resolution Rules for .fr & .re Domain Names, supra* note 165, art. 19, with *Rules for UDRP Policy, supra* note 20, r. 14.

168. *Dispute Resolution Rules for .fr & .re Domain Names, supra* note 165; *Rules for UDRP Policy, supra* note 20.

individual protections.¹⁶⁹ The Declaration of the Rights of Man and the European Convention on Human Rights protect freedom of speech in France.¹⁷⁰ The Declaration provides that “[t]he unrestrained communication of thoughts and of opinions being one of the most precious rights of man, every citizen may speak, write, and publish freely, provided that he is responsible for the abuse of this liberty, in cases determined by law.”¹⁷¹ This expansive language would appear likely to protect criticisms such as those found in the “sucks” line of cases. However, in those cases, UDRP panelists have almost unanimously found in favor of the trademark holder,¹⁷² bringing the constitutionality of UDRP application to .fr domains into question.

Because the French Constitution does not provide for any concrete procedural requirements, the French Code of Civil Procedure governs procedural standards. In French courts, the judge has the authority to establish time limits throughout the proceeding, although there are mandatory extensions for parties that reside overseas or in a foreign country.¹⁷³ This process allows the judge to determine the fair and reasonable timeline for all parties in each case, which may in some cases contrast to the twenty days provided by the UDRP.¹⁷⁴ However, the largest difference between the French Code of Civil Procedure and the UDRP are the requirements for service of process. In France, process is generally accomplished through a bailiff.¹⁷⁵ Process accomplished through a bailiff must be personal, unless that has proved to be impossible.¹⁷⁶ In such cases, a copy of the

169. 1958 CONST. 34 (Fr.) (providing that “[s]tatutes shall also lay down the basic principles of . . . systems of ownership, property rights and civil and commercial obligations”).

170. Although the present French republic is the fifth, the preamble to its constitution refers directly and explicitly to the 1789 Declaration. *Id.* at *Préambule et article 1er* [Preamble and article 1], available at <http://www.legifrance.gouv.fr/Droit-francais/Constitution/Constitution-du-4-octobre-1958>. French judges do not hesitate to apply directly the principles therein, while French lawmakers respect the Declaration as having constitutional force. See DECLARATION OF THE RIGHTS OF MAN, art. 11 (Fr. 1789), available at <http://www.legifrance.gouv.fr/Droit-francais/Constitution/Declaration-des-Droits-de-l-Homme-et-du-Citoyen-de-1789>, translation available at https://avalon.law.yale.edu/18th_century/rightsof.asp; Convention for the Protection of Human Rights and Fundamental Freedoms, art. 10, Nov. 4, 1950, Europ.T.S. No. 5, 213 U.N.T.S. 221.

171. DECLARATION OF THE RIGHTS OF MAN, *supra* note 170, art. 11.

172. See *Koninklijke Philips Elecs. N.V. v. In Seo Kim*, UDRP-ARB Case No. D2001-1195, 2001 WL 1694155, *2, 2001 UDRP LEXIS 1232, *4 (World Intell. Prop. Org. Arb. & Med. Ctr. Nov. 12, 2001) (Turner, Arb.) (surveying the case law), available at <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1195.html>; Arnette-Mitchell, *supra* note 95, at 328–29.

173. CODE DE PROCÉDURE CIVILE [C.P.C.], art. 3 (Fr.) available at http://www.legifrance.gouv.fr/content/download/1962/13735/version/3/file/Code_39.pdf; *id.* art. 643.

174. *Dispute Resolution Rules for .fr & .re Domain Names*, *supra* note 165, r. 15(a); *Rules for UDRP Policy*, *supra* note 20, r. 5.

175. C.P.C., art. 651.

176. *Id.* art. 654–55.

complaint may be delivered to the defendant's place of domicile or place of residence.¹⁷⁷ Should no one be willing to accept such notice, a bailiff must file a copy of the complaint with the relevant City Hall.¹⁷⁸ In the case of process served by the party directly, two copies must be mailed to the opposition party.¹⁷⁹

The procedural requirements of the UDRP directly conflict with the statutory requirements in France. While French law ensures that every party receives a fair trial by allowing each judge to determine a fair and reasonable timetable for each aspect of the trial, which includes the time allotted for the response to a complaint, the UDRP uses a bright line rule that a respondent has twenty days to respond to the complaint.¹⁸⁰ Additionally, under the UDRP, service of process need not be personal and is usually accomplished through written notice by e-mail and postal mail.¹⁸¹ This is problematic in light of the high rate of default in UDRP adjudications and the large discrepancy between complainants' success rates in the case of a default compared with cases in which the respondent actually submits a response.¹⁸²

The substantive policies of the UDRP also run afoul of French trademark law. To find infringement, a French court must find that the defendant created a likelihood of public confusion through either "[t]he reproduction, use, or affixing of a mark, and the use of a reproduced mark for goods and services similar to those designated in the registration" or "an imitation of a mark and the use of an imitated mark for goods and services identical or similar to those designated in the registration."¹⁸³ The manner in which panelists currently apply the UDRP may run afoul of these requirements for two reasons. First, by neglecting the second element of the UDRP (whether the respondent has any rights or legitimate interests in the domain name), UDRP panelists broaden the scope of trademark protection beyond that conferred by the statute. As noted earlier, UDRP panels tend to focus almost entirely on whether confusing similarity exists.¹⁸⁴ However, under French law, a trademark is protected only in regard to the goods or services for which it was registered.¹⁸⁵ By ignoring respondents' legitimate rights in a

177. *Id.* art. 655.

178. *Id.* art. 656.

179. *Id.* art. 673.

180. *Rules for UDRP Policy*, *supra* note 20, r. 5(a).

181. *Id.* 4(a).

182. MUELLER, *supra* note 61, at 10, 12.

183. Code de la Propriété Intellectuelle, art. L. 713-3 (Fr.), available at http://www.legifrance.gouv.fr/affichCode.do;jsessionid=1FAE5512E481C22879C2ED46551C0DB0.tp_djo14v_3?idSectionTA=LEGISCTA000006161692&cidTexte=LEGITEXT00006069414&dateTexte=20120712 [hereinafter Fr. C. Intell. Prop.].

184. *See supra* Part IV.A.2. Where UDRP panels do consider whether a respondent has any legitimate rights or interests in the domain, they tend to regard it as merely a factor rather than an element. *See, e.g.*, Wachovia Corp. v. Flanders, UDRP-ARB Case No. D2003-0596, 2003 WL 23354149, *3, 2003 UDRP LEXIS 461, *7 (World Intell. Prop. Org. Arb. & Med. Ctr. Sept. 19, 2003) (Franklin, Arb.); Arnette-Mitchell, *supra* note 95, at 332.

185. Fr. C. Intell. Prop., art. L. 713-3.

domain name for any reason not related to the goods or services for which the trademark was registered, UDRP panels effectively expand such trademark protection to *any* use of the mark. This result was not intended by the French legislature and places a heavy burden on society.

Second, ignoring any legitimate rights or interests that the respondent has in a domain tends to abrogate France's statutory fair use defense. French law specifically lists a number of fair uses of a trademark that do not constitute infringement.¹⁸⁶ However, UDRP panelists tend to find that such a right or interest in a domain cannot be legitimate, because the respondent should have instead registered a domain name that was not confusingly similar to the trademark.¹⁸⁷ The effect is to tip the scale toward private over public interests, in derogation of legislative intent. Offering limited monopolies to trademark holders is intended primarily to prevent consumer confusion, while also compensating a firm for investing in its own goodwill or reputation. The fair use defense represents a balance between the accomplishment of these goals and the public interest in free use of language and creative expression. Expanded trademark protection under the UDRP greatly increases the costs to society associated with trademarks.

Seemingly in response to these concerns, France passed Act No. 2011-302, which directly addresses the issue of domain dispute resolution. The statute imposed both substantive and procedural guidelines on any system of domain-name dispute resolution. Substantively, the statute requires that domains are to be registered on a first-come, first-serve basis.¹⁸⁸ Such a registration may be withheld or deleted where the domain is 1) likely to undermine public order or morality or the rights guaranteed by the Constitution or the laws; 2) likely to infringe intellectual property rights, unless the applicant can prove good faith and a legitimate interest in the domain; or 3) the same or related to that of the French Republic or a political subdivision thereof, or an institution of national or local public service, unless the applicant can prove good faith and a legitimate interest in the domain.¹⁸⁹ Additionally, the statute requires that any procedural guidelines be approved by the Minister of Communications.¹⁹⁰ This procedure must be transparent, non-discriminatory, and public.¹⁹¹ In addition, the Minister must ensure that the procedure is impartial and adversarial.¹⁹² Application of the UDRP to .fr domains has been suspended pending a supplemental procedure to be approved by the French Minister of Communications.¹⁹³ Although the Act

186. *Id.* art. L. 713-6.

187. Arnette-Mitchell, *supra* note 95, at 331.

188. Law 2011-302, *supra* note 124.

189. *Id.*

190. *Id.*

191. *Id.*

192. *Id.*

193. See *Dispute Resolution Rules for .fr & .re Domain Names*, *supra* note 165.

became effective July 22, 2008, as of September 3, 2012, the Minister had yet to approve any UDRP policy.¹⁹⁴

The French case should serve as a warning sign to ICANN of the potential dangers that may occur if it does not reform the UDRP. If ICANN does not bring the UDRP in line with domestic law, it risks more countries following the French example and adopting their own rules. This would eliminate the uniformity that makes the UDRP valuable.

As it is currently applied, both in the United States and in foreign countries, the UDRP violates constitutional protections over freedom of expression and the unlawful deprivation of property. These are not merely technical violations, but rather indications that the system lacks the basic fairness that these provisions are designed to ensure. Additionally, the UDRP creates questions of legitimacy given its basis in U.S. administrative law, the lack of input afforded to other countries, and the fact that it frequently contradicts domestic law. Lastly, the system of using variations of the UDRP, although generally minor,¹⁹⁵ increases confusion for both trademark holders and registrants while failing to bring the UDRP in line with domestic law. This last point is particularly poignant in the context of internet domains, in which trademark holders often register marks in many countries throughout the world.¹⁹⁶ The current system needs to be amended to address these issues, or other countries may follow France's example and create independent systems. If that were to occur, it would undermine the uniformity of the UDRP and severely increase the costs of dispute resolution. The following sections address the potential benefits offered by an international body, the most recent attempt to reform the UDRP through such an international body, and finally a proposal for the practical creation of an international organization.

V. THE BENEFITS OF CONSTITUTIONAL INTERNATIONALIZATION OF THE UDRP

Creating a neutral body within a constitutional framework offers numerous advantages to both trademark holders and domain registrants on the micro level, as well as to countries that use the UDRP on a macro level. Such a body would allow for uniformity in domain name registration across the globe, and would help provide legitimacy both in terms of strengthening the rights of registrants and bringing policy in line with domestic law. This would reduce the costs associated with prosecuting cybersquatters, while simultaneously improving the accuracy of adjudications.

194. *Id.* As a result, application of the UDRP to .fr domains is still suspended.

195. *Supra* Part IV.B.1–3.

196. For example, BMW has registered BMW.com., BMW.ie, BMW.es, and BMW.fr.

A. The Advantages of a Uniform Policy

UDRP rules currently vary among countries.¹⁹⁷ The idea is to adapt the rules to various countries and the substantive law within them. Oddly, country-specific UDRP rules frequently conflict with the domestic law of the respective countries,¹⁹⁸ which tends to undermine the basis of the practice. In addition to creating legal concerns, applying different rules to domains registered in different countries confuses parties and increases costs associated with using the UDRP. It also creates a strong incentive for forum shopping, because results can vary depending on whether a complainant decides to file the complaint in a domestic court or through the UDRP. The lack of uniformity is a particularly important issue given the global nature of the internet and domain names.

This problem is exacerbated by the broad discretion given to panelists in determining which laws to apply. The UDRP gives panelists the power to apply “any rules and principles of law . . . deem[ed] applicable.”¹⁹⁹ This can decrease the predictability of decisions, because the outcome will largely depend on whether a case is filed in a relevant national court or with a particular UDRP arbitration forum. Additionally, the UDRP does not provide for an appeals process, and therefore has no mechanism through which to resolve panel splits.²⁰⁰ This further contributes to the uncertainty of results.

A uniform system of dispute resolution that could be readily applied to domains registered around the world would reduce the costs and confusion that currently surround the UDRP, particularly where a dispute involves domain names registered in different countries, while also addressing the legal concerns in applying a system that conflicts with domestic law. Such a situation is currently a disaster for panelists charged with implementing various country-specific UDRP rules within a single dispute. A uniform system would also remove the current problem of forum-shopping by ensuring consistent and predictable results regardless of the forum in which a complaint is filed. Finally, the implementation of a hierarchy of UDRP decisions would allow questions of law to be resolved, further increasing predictability.

B. The Advantages of Perceived Legitimacy of the UDRP

The UDRP, as it currently exists, is perceived to lack legitimacy in three important respects. First, it lacks legitimacy because it is the product of U.S.

197. *See supra*, Part IV.B.1–3.

198. *See supra*, Part IV.B.1–3.

199. *Rules for UDRP Policy*, *supra* note 20, r. 15.

200. While some UDRP panel decisions are published, there is no hierarchy of authority because there is no appeals process. Accordingly, case law offers little guidance regarding panel splits.

agency rulemaking and does not allow for input from other countries.²⁰¹ Second, the UDRP, and even its country-specific variations, often conflicts with domestic law.²⁰² Third, the UDRP has a strong reputation for being biased toward trademark holders at the expense of domain registrants.²⁰³

An international body would address all of these concerns. It would more accurately reflect the global nature of the internet and move away from the current perception of the UDRP as a tool through which the United States exerts its foreign policy. Increasing input from other countries is not important merely in terms of international goodwill, but may in fact be necessary to save the UDRP. Over the past several years, many countries have threatened to abandon it entirely if they are not given a say in policymaking.²⁰⁴ The creation of an international body would allow these countries to have increased input, while also limiting both the substance and procedure of the way policy is formed. This is particularly important given the involvement of some countries with negative views toward the free flow of ideas.²⁰⁵ Through a constitutional framework, an international body could encourage global participation with the UDRP while ensuring that minimal standards and rights for registrants are not compromised.

In addition, the creation of an international body would create an opportunity to bring policy in line with domestic law through mandating certain minimum standards of conduct. As discussed previously, UDRP policy often conflicts with domestic law in certain important respects.²⁰⁶ Through the creation of minimum procedural and substantive standards, policy can be brought in line with domestic law, instantly increasing the legitimacy and domestic legality of the process.

Furthermore, an international body could address the current bias toward trademark holders by creating greater oversight of UDRP panels. The current lack of oversight allows panelists to exercise a great deal of discretion, and because the UDRP has no mechanism for review, these discretionary decisions may not be challenged. An international body would determine the law to be applied by a panelist, thereby removing much of the arbiter's discretion and reducing the possibility that a panelist would choose to apply law more favorable to the trademark holder. Additionally, an international body would create a process for appeal so that a panelist's decision would be subject to review. This would both offer guidance to panelists in making their decisions, as well as ensure that UDRP

201. See Tom Wright, *EU Tries to Unblock Internet Impasse*, INT'L HERALD TRIB., Sept. 30, 2005, available at <http://www.nytimes.com/iht/2005/09/30/business/IHT-30net.html> (quoting the Brazilian delegation as saying, "On Internet governance, three words tend to come to mind: lack of legitimacy. In our digital world, only one nation decides for all of us.").

202. See *supra* Part IV.B.1–3.

203. See, e.g., Thornburg, *supra* note 74, at 207–22.

204. Law 2011-302, *supra* note 124; Schönberger & Ziewitz, *supra* note 39, ¶¶ 4, 19.

205. In particular, the U.S. is weary of the involvement of China. Schönberger & Ziewitz, *supra* note 39, ¶ 35.

206. See *supra* Part IV.B.1–3.

proceedings are accurately adjudicated. The following section will address the most recent attempt to reform the UDRP through an international body and the reasons that it failed.

VI. THE EUROPEAN PROPOSAL TO INTERNATIONALIZE THE UDRP

Unsurprisingly, control over domain governance is a significant source of political friction. Currently, foreign governments exert little or no influence over ICANN and the UDRP. ICANN is technically a private and independent corporation. However, as noted previously, ICANN derives its power from the U.S. government, and the U.S. government reserves the right to rescind that power at any time.²⁰⁷ This arrangement essentially affords the U.S. government complete control over international domain name governance. This domination of international governance raises questions of legitimacy and fosters resentment in foreign countries. This last point is particularly important, given the threat that certain countries, such as France, may abandon the system entirely.²⁰⁸ If this were to happen, one of the primary benefits of the UDRP, a single administrative process that can be easily administered to domains registered across the globe, would be seriously undermined.

The most recent reforms of Domain Name System (DNS) governance, the Tunis Agreement and Tunis Commitment, were hailed as a success and a movement toward the “internationalization” of internet governance.²⁰⁹ The agreements created the Internet Governance Forum (IGF), an organization within the United Nations, and set future goals.²¹⁰ Unfortunately, the IGF plays merely an advisory role to ICANN, which retains all of the real power, and the IGF did not receive the funding necessary to accomplish its goals.²¹¹ Despite the creation of the IGF, the United States’s monopoly over DNS governance remained unrestrained.²¹²

Late in the negotiations over the Tunis Agreement and Commitment, the EU proposed an institutional framework that would have created genuine international governance for the DNS system, but it was ultimately rejected.²¹³ The proposal would create an international body to formulate policy that ICANN

207. Memorandum of Understanding, *supra* note 1.

208. Law 2011-302, *supra* note 124; *see* Schönberger & Ziewitz, *supra* note 39, ¶¶ 4, 19.

209. Schönberger & Ziewitz, *supra* note 39, ¶ 4.

210. *Id.* ¶¶ 3, 4; *Tunis Agenda for the Information Society* § 90, Nov. 18, 2005, WSIS-05/TUNIS/DOC/6(Rev.1)-E, available at <http://www.itu.int/wsis/docs2/tunis/off/6rev1.pdf> (setting out goals, including streamlining policies across jurisdictions).

211. Schönberger & Ziewitz, *supra* note 39, ¶¶ 3, 5; *Tunis Agenda*, *supra* note 210, § 72(a)–(l) (granting powers to discuss, facilitate, interface, advise, promote, and help ICANN).

212. *See* Wright, *supra* note 201 and accompanying text.

213. Schönberger & Ziewitz, *supra* note 39, ¶¶ 23–33.

would be obligated to follow.²¹⁴ Additionally, it would require the organization to adhere to certain general principles referred to as the Geneva Principles.²¹⁵ These principles focused on avoiding convoluted or redundant mechanisms of governance,²¹⁶ promoting stability and robustness of the internet,²¹⁷ promoting a focus on a coherent long-term policy as opposed to day-to-day operations,²¹⁸ and a system of self-constrained oversight.²¹⁹ While the proposal aimed to internationalize internet governance on a fairly broad level, its principles apply equally to DNS governance.

The system of oversight focused on vaguely defined “architectural principles.”²²⁰ However, the concept of adopting an international body with a system of self-contained, almost constitutional, checks on its own power is significant. While the clarity, or even the wisdom, of the substantive proposal is debatable, the impetus behind it is clear. In addition to resentment over allowing the United States to unilaterally dominate DNS with little or no input from other countries, there is a strong perception that allowing governance to be dominated by the United States allows policy to be changed based on U.S. domestic political pressures.²²¹ The EU thought that “internationalizing” governance would lead to more coherent policies focused on long-term goals.²²²

The European Proposal embodied values very much in accordance with the legal history of the United States. While the offered constraints were quite vague, they did offer a constitutional framework through which to check governmental power.²²³ Although the Proposal did not offer any individual rights—probably the most conventional form of substantive rights—it did require the organization to constrain its own behavior.²²⁴ This coincides with American legal traditions placing great reverence in the constitutional framework. For this reason, some commentators expressed surprise at the United States’s opposition to the proposal.²²⁵

214. *Id.* ¶ 25.

215. *Id.* ¶ 26.

216. *Id.*

217. *Id.*

218. Some commentators believe that this requirement was merely meant to assure ICANN that its role in applying policy on a day-to-day basis would not be infringed upon. *See, e.g.,* Schönberger & Ziewitz, *supra* note 39, ¶ 26.

219. *Id.* ¶ 27.

220. At least one commentator has suggested that the proposal meant to incorporate shared beliefs about the internet’s architectural design. *Id.*

221. *Id.* ¶ 34.

222. *Id.*

223. Schönberger & Ziewitz, *supra* note 39, ¶¶ 39, 49.

224. *Id.* ¶¶ 39, 42.

225. *Id.* ¶ 52.

A. U.S. Opposition to the European Proposal

When confronted with the proposal, the United States offered two arguments against it. First, it argued that such an international body would lead to an overly bureaucratic system of governance that would be incompatible with the fast-changing nature of the internet.²²⁶ Second, it argued that the internet would be damaged by allowing countries such as China, which has little appreciation for the free flow of ideas, to have a say in establishing policy.²²⁷ However, commentators have suggested additional reasons for American opposition. First, the United States would naturally oppose the creation of any international body with real power, as the delegation of power to such a body would inherently require the United States to cede its own power.²²⁸ Second, Americans tend to be uncomfortable with “objective rights,” or rights that constrain government action, but do not provide individuals with a cause of action.²²⁹ This argument focuses on the fact that the European Proposal did not include any method of implementing the constitutional constraints, such as an independent judiciary.²³⁰ Third, domestic political concerns may have made the United States weary of ceding any power to an international body, possibly constraining its own activities domestically.²³¹ Finally, the Bush administration had demonstrated a strong antipathy for multilateralism in general and was unlikely to endorse an international system of internet governance, just as it opposed international governance of a number of other fields.²³²

B. Addressing U.S. Concerns

These arguments may be persuasive as to the United States’s reasons for rejecting the European Proposal specifically, but they do not foreclose it from adopting a similar international system of DNS governance utilizing a constitutional framework, particularly in light of political changes discussed below.²³³ Each of the arguments for U.S. opposition to the Proposal can be addressed by simply adjusting the constitutional constraints. First, the U.S. government felt that an international system would be slower to react to changing

226. Kieren McCarthy, *Read the Letter that Won the Internet Governance Battle*, REGISTER (Dec. 2, 2005, 9:07 AM), http://www.theregister.co.uk/2005/12/02/rice_eu_letter.

227. Schönberger & Ziewitz, *supra* note 39, ¶ 35.

228. *Id.* ¶¶ 59–70.

229. *Id.* ¶¶ 71–80.

230. *Id.* ¶ 73.

231. *Id.* ¶¶ 81–89. This argument is particularly poignant in the context of the war on terror and the Department of Homeland Security’s activities in tracking internet usage.

232. Schönberger & Ziewitz, *supra* note 39, ¶¶ 90–100.

233. *See infra* Part VII.

circumstances than the current system.²³⁴ While some level of efficiency would presumably be lost due to increased input from a large number of countries, it is unclear how dramatic that effect would be. In fact, such a system might actually be more efficient based on its universal application, as opposed to the current system that requires application of various supplemental rules.²³⁵ In addition, the recent withdrawal of France from the UDRP signals that changes must be made if the UDRP system is to survive at all.²³⁶ While an international system may arguably be less efficient than the current one, it certainly would be better than a disaggregated system in which a trademark holder would have to file multiple lawsuits in different countries to enforce a single trademark.

Second, the U.S. government argued that allowing countries such as China to have a voice in policymaking would undermine fundamental goals of the internet such as the free flow of ideas.²³⁷ However, such efforts by any member could be foreclosed through a constitutional framework. Substantive constraints on the ability of countries to curtail the flow of information could be written into the organizational constitution in order to alleviate such fears.

While any delegation of power to an international body would require that the United States cede some of its own, this would be partially offset by the advantages of an international system.²³⁸ Additionally, concerns over the use of “objective rights” could be addressed by enacting procedural constraints to ensure that individual rights are respected and enforced. There is no reason the current ICANN-approved forums could not implement the constitutional framework as the forums currently exist. In fact, these forums already act as something of a judiciary—three of the four ICANN-approved forums already publish opinions and use them as precedential case law.²³⁹ While the creation of an international body would insulate DNS governance from U.S. domestic politics, many see that as a positive outcome.²⁴⁰ Indeed, the United States might also see advantages in a more coherent long-term DNS policy that is free from fluctuation in policy from one administration to the next. Lastly, the United States might be more willing to enter into a multilateral agreement where it is able to influence many of the terms, and would stand to directly benefit.²⁴¹

234. McCarthy, *supra* note 226.

235. See *supra* Part IV.B.1–2 (discussing the supplemental rules used to apply the UDRP to .es and .ie country codes, respectively).

236. See *supra* Part IV.B.3 (discussing the recent withdrawal of France from the UDRP).

237. Schönberger & Ziewitz, *supra* note 39, ¶ 35.

238. See *infra* Part VII.

239. See *WIPO Domain Name Cases*, WORLD INTELL. PROP. ORG., <http://www.wipo.int/amc/en/domains/cases.html>; *Domain Name Dispute Proceedings & Decisions*, NAT'L ARB. F., <http://domains.adrforum.com/decision.aspx>; *Decisions*, ARB. CTR. FOR INTERNET DISPUTES, <http://www.adr.eu/adr/decisions/index.php>.

240. Schönberger & Ziewitz, *supra* note 39, ¶ 34.

241. See *infra*, Part VII.B.2.

C. The Advantages of an International Body to the United States

Internationalization offers two primary advantages to the United States. First, there is growing concern in the United States that if it does not allow for greater input from other countries, they may cease to follow the rules of ICANN and the UDRP.²⁴² Such an event would be disastrous because, given the internet's global nature, uniformity in policy is essential for stability and predictability. Second, an international body would allow the United States to distribute the costs of DNS governance more evenly, rather than sustaining the majority of them domestically through ICANN. These countries seem more than willing to pay a portion of the costs of administration if they were to receive a greater say in policymaking.²⁴³ Taking these considerations into account, the following section proposes that an international body be created in order to benefit all countries, including the United States.

VII. THE PRACTICAL CREATION OF AN INTERNATIONAL BODY

There is already a great deal of international support for an international system, and changes to U.S. foreign policy make such an organization a realistic possibility.²⁴⁴ This section will outline a proposal for such an international organization, which would enact a policy that ICANN would be charged with implementing. Drawing heavily off of the European Proposal, this body would be built upon a constitutional framework that would alleviate the United States's concerns while ensuring that policy conforms to the standards of fairness required by domestic law.

A. Principles from the European Proposal

The European Proposal provides a sound basis for a system of governance through a constitutional framework.²⁴⁵ Such a system could borrow the European Proposal's idea of creating an international organization to create policy, which would still be implemented by ICANN.²⁴⁶ Similarly, the organization would be built upon principles constraining the organization's power.²⁴⁷ However, unlike the vaguely defined architectural principles found in

242. Law of 2011-302, *supra* note 124; Schönberger & Ziewitz, *supra* note 39, ¶ 4, 19.

243. *See* Schönberger & Ziewitz, *supra* note 39, ¶ 5 (noting the demands of other countries to have a greater say in policymaking); Wright, *supra* note 201 (noting similar complaints about U.S. domination over policymaking).

244. *See supra* Part VI.A; *infra* Part VII.B.

245. *See supra* Part VI.

246. Schönberger & Ziewitz, *supra* note 39, ¶ 25.

247. *Id.* ¶ 27.

the European Proposal, these would explicitly be constitutional principles designed to ensure the basic fairness of proceedings. These principles must be both procedural and substantive in nature, in order to protect against the arbiter bias that currently plagues the UDRP and to ensure basic fairness in UDRP adjudications.

First, the current practice of requiring that complainants pay panelists' fees must be abolished.²⁴⁸ Any system in which one party pays for the arbiter raises serious questions of fairness. The source of funding should instead come from national governments themselves. While it may appear at first that such governments will not want to pay, many governments appear more than willing to suffer these costs if it allows them greater control over policymaking.²⁴⁹ However the organization secures funds, it is absolutely essential that complainants not pay the fees. Arbiters must remain completely independent and unbiased in order to ensure a fair and accurate tribunal.

Second, UDRP adjudications must not give a domain registrant less time to respond to the complaint than he or she would have had if the complaint had been filed in the relevant national court, and service of process must meet the minimum standards of the relevant national court. Such a procedure is relatively simple to implement and would go a long way in reducing the current unfairness in UDRP resolution. Currently, complainants prevail in more than 78% of cases.²⁵⁰ However, 34% of all cases resulted in default, and approximately 98% of defaults result in a transfer of the domain name to the complainant.²⁵¹ Where the respondent actually contests the transfer of his or her domain name, the complainant prevails only 49% of the time.²⁵² By ensuring greater procedural protection and thereby restricting the threat of default, the procedure would become more fair and accurate.

Additionally, expanding the procedural protections within the UDRP would not unduly bias trademark holders. Although adjudications would likely take a few more weeks to complete than they currently do, such a procedure would still be extremely fast and inexpensive, and would be much more accurate. The current procedure, which lacks formal discovery, supplemental motions, or even personal hearings, is inadequate to address the often complicated determinations of confusing similarity, bad faith, fair use, and whether certain conduct tarnishes a mark. ICANN initially acknowledged as much, stating that "the policy . . . calls for administrative resolution in only a small special class of disputes," primarily those involving "abusive registrations."²⁵³ Given the

248. *FAQ: Internet Domain Names*, *supra* note 5.

249. Schönberger & Ziewitz, *supra* note 39, ¶ 52.

250. *Id.* ¶ 10.

251. MUELLER, *supra* note 61, at 10, 12.

252. *Id.* at 12.

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

widespread use of the UDRP, greater procedural protections, like those found in national constitutions, are required in order to ensure accuracy and fairness.

Third, the organization must enact a principle to provide that any UDRP adjudication cannot conflict with the relevant substantive national law. This would ensure that domain registrants are provided with the same protections that they currently receive under national law; namely, the full protection of the fair use defense. While the fair use defense is written into the UDRP policy, it has been severely restricted or ignored by panelists.²⁵⁴ It is important that the fair use defense is given the same construction in UDRP adjudication as it does in national courts, because the fair use defense is the primary mechanism that legislatures have used to balance freedom of speech against bad faith registrations. This provision would ensure that the UDRP does not violate freedom of speech provisions contained in national constitutions. Additionally, it would eliminate the choice-of-law problems that currently affect the UDRP. It would severely reduce the discretion that UDRP panelists are currently given in determining which law to apply²⁵⁵ and ensure that the same result will be reached regardless of whether a trademark holder elects to file a lawsuit with a UDRP-approved forum or in a relevant national court.

On the foundation of these basic principles, the organization could tailor its policy however it deems fit. With greater participation from all countries throughout the world, the process would enjoy greater legitimacy, and more importantly, it would placate many countries that are currently threatening to abandon the UDRP procedure entirely.

B. Changes in U.S. Policy on ICANN Between the Bush and Obama Administrations Allow for Greater U.S. Support for an International Organization

When it was introduced in 2005, the European Proposal floundered because it was unable to garner support from the United States.²⁵⁶ However, changes in foreign policy under the Obama administration make the likelihood of success for the proposal suggested in this Note much greater today. With the support of the United States, many of the obstacles to the creation of an international body would be overcome.

During the Bush administration, the United States actively pursued a policy of assertive unilateralism.²⁵⁷ The United States withdrew from a number of treaties and shied away from commitments to multilateral organizations. The

254. *UDRP Policy*, *supra* note 18, sec. 4(c)(iii).

255. *Rules for UDRP Policy*, *supra* note 20, r. 15.

256. Schönberger & Ziewitz, *supra* note 39, ¶ 48–51.

257. Charles Krauthammer, *The Bush Doctrine: In American Foreign Policy, a New Motto: Don't Ask, Tell*, INSIDEPOLITICS (Feb. 26, 2001, 12:09PM), available at <http://edition.cnn.com/ALLPOLITICS/time/2001/03/05/doctrine.html> (referring to the administration's policy as the "Bush Doctrine").

best-known examples of this policy are probably the decisions to withdraw from the Anti-Ballistic Missile treaty, reject the Kyoto protocol, and invade Afghanistan in 2001 without the support of the United Nations.²⁵⁸ The Bush administration frequently criticized the United Nations as ineffective, and this approach applied equally to the UDRP.²⁵⁹

Similarly, the Bush administration felt that an intergovernmental process, such as the European Proposal, would “lack the ability to act swiftly and flexibly.”²⁶⁰ Commentators have pointed to two specific reasons that the Bush administration did not support the European Proposal. First, accepting such a proposal would have severely constrained the administration’s ability to control mechanisms of information in light of the war on terrorism.²⁶¹ Given the administration’s position that it needed to be free to create as many security measures as possible, any constraint on executive power was viewed as a detriment.²⁶² Second, the Bush administration felt that international law, even when applied to internet governance, was unable to offer effective solutions.²⁶³ In so doing, the administration stated that the internet should be shaped by national laws, dismissing the view that the inherently global nature of the internet requires global participation.²⁶⁴

The American contingent at World Summit on the Information Society expressed concerns not specifically related to the Bush Administration’s policies—most notably about the influence of China and other countries with “negative” views toward the free flow of information.²⁶⁵ However, commentators suggest that these issues were only of secondary concern and that the United States would have supported the European Proposal had it not conflicted with the Bush administration’s agenda in favor of unilateralism.²⁶⁶

These factors are unlikely to affect the Obama administration, which has repeatedly stressed the importance of engagement and multilateralism.²⁶⁷ While the Obama administration has supported security measures such as internet

258. *AMB Treaty Fact Sheet: Announcement of Withdrawal from the AMB Treaty*, OFFICE OF THE WHITE HOUSE PRESS SECRETARY (Dec. 13, 2001), <http://georgewbush-whitehouse.archives.gov/news/releases/2001/12/20011213-2.html>; *Bush Announces Opening of Attacks*, CNN.COM (Oct. 7, 2001), http://articles.cnn.com/2001-10-07/us/ret.attack.bush_1_qaeda-targets-al-kandahar?s=PM:US; *Bush Firm over Kyoto Stance*, CNN.COM (Mar. 29, 2001, 3:44 PM), <http://edition.cnn.com/2001/US/03/29/schroeder.bush/>.

259. Schönberger & Ziewitz, *supra* note 39, ¶¶ 91–97.

260. *Id.* ¶ 20.

261. *Id.* ¶ 83.

262. *Id.* ¶ 83.

263. *Id.* ¶ 94.

264. Schönberger & Ziewitz, *supra* note 39, ¶ 94.

265. *Id.* ¶ 101.

266. *Id.* ¶ 100.

267. See, e.g., Justin Fishel, *Obama’s New Nat’l Security Strategy Abandons Bush’s Unilateralism*, FOX NEWS (May 27, 2010), available at, <http://www.foxnews.com/politics/2010/05/27/obamas-new-national-security-strategy-abandons-bushs-unilateralism/>.

wiretapping, this has not affected its eagerness to engage in intergovernmental organizations, and it does not appear likely to do so in the context of internet governance.²⁶⁸ This leaves only the concern over the influence of countries such as China and Iran on policymaking.

The ability of countries such as China to influence policy would be adequately restrained through the framework of the principles outlined above. These principles would ensure basic minimum protections that members would not be permitted to abrogate. It should be noted that China's country-code top level domain, .cz, is not currently subject to the UDRP.²⁶⁹ Therefore, the fact that China may be reluctant to adopt a system with guarantees for individual rights and the free flow of ideas seems irrelevant, as it has not even adopted the current system, which lacks such guarantees. Accordingly, the concern over the ability of certain countries to limit the free flow of information would be adequately addressed through a constitutional framework.

VIII. CONCLUSION

As cybersquatting continues to increase in frequency, trademark holders will naturally seek increasingly cheap and efficient methods to deal with it. However, this zeal must not be allowed to lead to a deprivation of domain registrants' legitimate rights. Currently, the UDRP systemically violates the U.S. Constitution as well as the constitutions of many foreign countries. By ignoring protections over freedom of expression and against the unlawful deprivation of property, the UDRP undermines the basic notions of fairness that these provisions are designed to ensure. The creation of an international body with self-constraining constitutional principles can ensure that individual rights remain intact, while maintaining much of the efficiency that makes the UDRP attractive. Such a system would be attractive to both countries on a policy level, as well as to registrants and trademark holders on an individual level. On a policy level, such a body would ensure that all countries can provide input into the process, while guaranteeing that Western liberal values remain intact in the context of internet governance. This would ensure the preservation of the UDRP by placating countries such as France that are currently contemplating abandoning the policy entirely. Additionally, an international organization would ensure uniformity in policy, help to improve predictability of decisions, add legitimacy to the process, and improve accuracy in adjudications. The UDRP would continue to offer an extremely efficient mechanism for dealing with cybersquatting, while also

268. It should be noted that the possible election of Mitt Romney in this November's Presidential Election might signal a return to the unilateralism of the Bush administration. Ari Berman, *Romney: Bomb, Bomb, Bomb, Bomb, Bomb Iran*, NATION (June 19, 2012, 10:58 AM), <http://www.thenation.com/blog/168478/romney-bomb-bomb-bomb-bomb-bomb-iran>. This would obviously make the adoption of any international system more difficult.

269. *Country Code Domains*, *supra* note 38.

ensuring that disputes are accurately and fairly adjudicated. This system would offer the best of both worlds, efficiency and fairness, and there is now sufficient support to make its creation a reality.



