

# **ICANN AND THE INTERNET: LATEST DEVELOPMENTS**

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Many developments have taken place in the ICANN process since the last Internet Marketing Strategy Conference was held in Stockholm, in October of last year. I had the pleasure of speaking at that conference as well, and numerous issues which were still undergoing extensive public consultation at that time, and which I set out in detail in my paper for that conference, have been revisited in two successive ICANN Board meetings in November, 2000 (held in Marina del Rey) and in March 2001 (held in Melbourne, Australia).

## 1) New Top Level Domains

Seven new Top Level Domains (TLDs) had been approved by the ICANN Board at its Annual Meeting in Marina Del Rey in November, 2000 after a lengthy and exhaustive application process which involved significant public input and submissions from many interested parties. The new TLDs that were selected are .aero, .biz, .coop, .info, .name, .pro and .museum.

The new TLDs are of two types: unsponsored (.info, .biz, .name and .pro) and sponsored (.aero, .coop and .museum).

The unsponsored TLDs affect large segments of the Internet community, and accordingly, operating policies are established by the global Internet community through the ICANN process. Unlike .com, three of these four TLDs are intended for a specific purpose: .name is for individuals; .biz is for business and .pro is for accountants, lawyers and physicians. The fourth unsponsored TLD, .info, is unrestricted.

The sponsored TLDs are smaller and specialized, and have sponsoring organizations that represent narrower communities that are the most affected by the TLD in question: cooperatives, the air transportation industry and museums. Accordingly, responsibility for operating policies has been delegated to the sponsoring organizations.

Since their approval last November, negotiations have been, and continue to be, underway between ICANN and the selected sponsors or operators of these registries to work out the details of the agreements between these parties. The negotiations between ICANN and the operators of the four unsponsored

TLDs, (.biz, .info, .name and .pro) are nearing completion, and there is general agreement among the parties regarding the basic structure for the agreement, which covers those aspects of registry operation that are common to all four. Negotiations are continuing with respect to the Appendices to the agreement, many of which address issues that are specific to each registry. Negotiations with the other three (sponsored) TLD operators are at a much earlier stage overall, as the emphasis has been placed on the four larger ones which would affect the broadest segment of the international Internet community. The parts of the agreements that are substantially complete have been posted on the ICANN web site (<[www.icann.org](http://www.icann.org)>) for public comment, and additional segments will be posted as they are completed.

At the Melbourne meeting, the ICANN Board instructed staff to complete the negotiations respecting the Appendices as quickly as possible and post the documents for the Board's review. The Board will then have one week to make any additional comments, absent which the President of ICANN is authorized to sign the agreements. According to this timetable, it is conceivable that at least four new registries will be up and running in several weeks' time.

## **2) ccTLD Agreements**

The country code top level domains (ccTLDs) are not currently under the ICANN "umbrella". They are operated individually in each country by registry managers with varying degrees of management, policy and regulatory oversight by the respective national governments. Accordingly, the rules and standards for registration, as well as the availability of dispute resolution procedures, differ widely among the well over 200 ccTLDs around the world.

ICANN is currently engaged in negotiating agreements with the ccTLDs, and has been involved in intensive discussions with the registries since the annual meeting last November. Meetings have been held in Honolulu, Geneva & Melbourne, with the participation of over 80 ccTLDs. Discussions are focused on several key issues, namely, options re: overall structure of the ICANN/ccTLD relationship while maintaining the original IANA ccTLD concept, competent operation of registry and nameservers, dispute resolution, financial contributions by ccTLDs to ICANN, the role and views of national governments, etc.

ICANN's goal is to be a "global consensus forum" and is accordingly negotiating with the ccTLDs with a view to establishing a flexible agreement structure that can:

accommodate different ccTLD registry models and different government situations, assist ccTLD managers to serve the different local and cultural needs of their respective Internet communities, ensure that the ccTLD managers' trust obligations (*vis a vis* the national and global Internet communities) are appropriately monitored, while simultaneously maintaining the technical integrity of the DNS.

ICANN's staff is currently working on a draft agreement that would incorporate the consensus points on these and other issues.

### 3) Internationalized Domain Names

Although the use of the English language and the Roman alphabet is currently ubiquitous on the Internet, as is the Internet itself as a global communications medium, one of the prerequisites to its development is increasingly seen to be the introduction of internationalized, or multilingual, domain names, in view of the large percentage of the of the world's population that uses different (non-ASCII) characters and languages based thereon.

The initiative to offer internationalized domain names to non-English Internet users was implemented first by VeriSign, which started its internationalized domain name testbed in November, 2000, in cooperation with the Internationalized Domain Name (IDN) Working Group of the Internet Engineering Task Force (IETF), and initially supported Chinese, Korean and Japanese characters. Over 800,000 of these names were registered in just over four months. Registration in additional languages, such as French, German, Portuguese, Spanish, Greek, Armenian, Russian, Bulgarian, Macedonian, and Georgian are now also possible.

The IDN Working Group is currently developing the requirements and protocols for access to domain names in non-English characters. The testbed is open to all operational registrars that are currently ICANN-accredited, VeriSign Global Registry Services-certified, and operational, but it is important to remember that it is still a **testbed** environment, as the technical challenges involved in this undertaking have not yet been completely resolved. Accordingly, not only is it possible that domain names registered in the testbed may become inactive if it becomes necessary to modify certain current technical parameters, but the testbed is presently restricted to *registration* only, not resolution of multilingual domain names in the DNS.

Some ccTLDs are also offering internationalized domain names, and JPNIC has

also begun operating its own testbed for Japanese characters.

ICANN's concerns in this area include the promotion of open, non-proprietary standardization that is fully compatible with existing standards, together with its overarching concern for the stability of the DNS and interoperability of Internet services. The protection of intellectual property rights in both the experimental stages and in the future is also a key question, as instances of cybersquatting have already occurred in connection with multilingual domain name registrations.

Another difficulty is that everyone appears keen to offer, or register internationalized domain names, however, as noted above, it is still in the experimental testbed phase with no guarantees that any required future changes to the current technical parameters will not affect the names already registered, nor is it certain whether or how names registered in the experimental phase will be grandfathered into the system that is finally established. In order to study these and other questions, ICANN has established a Board committee to monitor the situation and seek input from all interested parties - registrants, registrars, the technical community, etc. so that relevant concerns are taken into account and addressed as the process moves along.

From an intellectual property perspective, the question of new TLDs, the outcome of the negotiations between ICANN and the ccTLDs and the introduction of internationalized domain names, are of great significance, because each of these initiatives would seem to introduce whole new areas wherein conflicts may occur, the resolution of which could be as challenging as the now familiar cases of cybersquatting were initially. However, they also are still at a stage where appropriate safeguards for the protection of IP rights may be inserted into the process. The efficacy of certain measures, such as the Uniform Domain Name Dispute Resolution Policy (UDRP), have been widely and successfully tested in the current major TLDs (.com, .net and .org), whereas others, such as the state of WHOIS database access, transparency and universal consistency, have proven somewhat inadequate and in need of reform, not only in the current TLDs (both generic and country code), but prior to any new registries going live. The advent of multilingual domain names brings additional challenges regarding WHOIS data and how trade-mark rights are to be applied and protected in a situation where the registration of the desired foreign character string requires conversion into ASCII text before it can be added to the zone file.

The UDRP, which will be discussed in detail later in this paper, is also the subject of current study to determine what, if any, improvements are required to make the

process even better for the existing TLDs, how it can be adapted to be equally effective for disputes involving multilingual domain names, or possibly expanded to be available for altogether different kinds of disputes occurring on the Internet.

Accordingly, it is no longer sufficient for an IP practitioner to simply be familiar with the current few gTLDs and a few ccTLDs. In order to best serve clients, a more detailed knowledge of the *interaction* of all these areas of the ICANN process and the rules relating to each is required in order to be able to work with the client to develop an effective *international domain name /trade-mark strategy*.

#### 4) Revisions to the VeriSign (NSI) Agreement

On April 2, 2001, the revisions to the agreement under which VeriSign (formerly NSI) operates the existing gTLDs (.com/.net/.org) and which were originally proposed on March 1, 2001, were approved by ICANN, after due consideration by the Board of the results of the prior public consultation process, pursuant to which comments were submitted to the Board by the Names Council of the Domain Name Supporting Organization (DNSO), the DNSO constituencies and its other participants, and members of the Internet community in general.

The revisions, which are still subject to approval by the U.S. Department of Commerce, involve a fairly significant restructuring of the contractual relationship between VeriSign and ICANN. The most obvious change is the replacement of the current single agreement that is applicable to all three gTLDs, by three separate registry agreements in respect of the three gTLDs, each of which is subject to its own individual term and each of which conforms generally to the new registry agreements which, as discussed in an earlier section, are currently being negotiated between ICANN and the new TLD operators.

With respect to the terms of these agreements, unlike their single predecessor which gave VeriSign the right to operate all three registries until 2007, provided it divested itself of its registrar business by May 10, 2001, the new agreements do not impose such a divestiture, but instead have staggered expiry dates: December 31, 2002 is the non-renewable expiry date for the .org agreement (after which the registry will be turned over to an as yet undetermined not-for-profit entity); January 1, 2006 is the renewable expiry date for the .net agreement (subject to a competitive rebid of the .net registry among VeriSign and all other interested parties) and the renewable expiry date for the .com agreement is November 10, 2007 (for a once-only four-year new term).

In addition to a number of technical changes in the draft agreements, the new terms require VeriSign to not only provide \$5 million to the new entity that will eventually take over the .org registry, but it must also invest a minimum of \$200 million in research and development and improvement of domain name system (DNS) infrastructure, such as the development of a universal WHOIS across all TLDs - which would be of tremendous benefit to all Internet users. VeriSign must also comply with a number of additional requirements under the new agreements, including the removal of restrictions on its share of ICANN's expenses, the requirement to charge all ICANN-accredited Registrars the same fees for registering names in its registries, and the elimination of VeriSign's \$10,000 initial access fee charged to new Registrar's,

Although the proposed revisions have been vigorously debated by the Internet community, with strong voices raised both in favour of and against the adoption thereof, a closer review of the draft agreements reveals that overall they are less favourable to VeriSign as the original document.

## **5) The Uniform Dispute Resolution Policy (UDRP)**

### **5) A) Brief History and Statistics**

Although I addressed the history and basic principles of the UDRP in detail in my earlier paper in Stockholm, it bears repetition here in order to put it into context, particularly in view of the fact that its success during its first fifteen months has led to increasing support from many quarters to broaden the scope of the UDRP to include disputes that are not limited cases of bad faith or abusive registration of domain names.

The Uniform Dispute Resolution Policy was implemented at the end of 1999 after a long and exhaustive consultation process which involved representatives from diverse Internet stakeholders, as well as other interested parties such as ICANN, NSI, and WIPO.

On October 24, 1999, the implementation documents, having been revised pursuant to comments received from the public, were approved by the ICANN Board and a little over a month later WIPO was the first dispute resolution provider to be approved by ICANN. On December 9, 1999, the first UDRP proceeding was commenced (the now famous <worldwrestlingfederation.com> case), with a

decision in the case being rendered on January 14, 2000.

As of April 9, 2001 (the most current statistics at the time of writing) a total of 2,586 proceedings involving 4,785 domain names have been decided by UDRP Panels from one of the four dispute resolution providers (WIPO, National Arbitration Forum, e-Resolution and CPR Institute for Dispute Resolution). Out of these, 2,042 decisions have ordered the transfer of 3,653 domain names to the Complainants, 22 decisions have ordered 28 names cancelled, and Respondents have emerged victorious in 503 decisions (involving 641 domain names).

Accordingly, there has developed in a remarkably short time what could be described, until recently, as a fairly substantial body of precedent, but which is now more aptly described as staggering and unprecedented, in view of the much slower pace with which jurisprudence in any area of law anywhere in the world normally develops.

The dramatic rate at which disputes move through the UDRP process is a testament to the resounding success of the process, and proof that the system is a viable and attractive alternative to the traditional method of resolving such disputes, namely, litigation. Nonetheless, the UDRP is the subject of ongoing careful analysis by WIPO and by IP practitioners around the world, as well as continued scrutiny by the media and members of the Internet community in general, many of whom remain vocal critics of the process for a number of reasons.

Without commenting substantively on the decisions themselves, based on the decided cases to date it appears that the process is at least living up to its stated intention of providing an expedited, efficient and inexpensive alternative to litigation for parties to disputes involving bad-faith or abusive domain name registrations. In addition, the apparent success and popularity of the UDRP as a dispute resolution mechanism militates strongly in favour of possibly expanding its scope to include "legitimate" trade-mark / domain name disputes.

## **5) B) Overview of the UDRP**

Currently, all gTLD Registrars have adopted the UDRP. It is incorporated by reference into their domain name registration agreements. It is important to note, that ccTLDs are not subject to the UDRP, unless the TLD administrator has adopted it on a voluntary basis.

As mentioned above, the UDRP is applicable (and mandatory) in respect of abusive / bad-faith domain name registrations in .com, .net and .org, and is initiated by the filing of a Complaint with an approved dispute resolution provider.

The Complainant must prove the following cumulative criteria:

- (a) the Respondent's domain name is identical or confusingly similar to a trade-mark / service mark in which the Complainant has rights; **and**
- (b) the Respondent has no rights or legitimate interests in respect of the domain name; **and**
- (c) the Respondent registered **and** is using the domain name in bad faith.

The third criterion above appears to be *prima facie* problematic due to the dual requirement that a domain name be both registered *and* used in bad faith. The earliest cases however were quick to address this issue and pointed to the provisions in the UDRP which set forth a non-exhaustive list of circumstances that, if found to be present, shall satisfy both the bad-faith registration and use requirements. These circumstances are: (a) an indication that the Respondent has registered or acquired the domain name primarily for the purpose of selling or otherwise transferring it to the complainant or its competitor for valuable consideration in excess of out-of-pocket costs related to the domain name; (b) that the Respondent has registered the domain name in order to prevent the trade-mark owner from reflecting the mark in a corresponding domain name; (c) the Respondent has registered the domain name primarily for the purpose of disrupting the business of a competitor; or (d) by using the domain name, the Respondent has intentionally attempted to attract, for commercial gain, Internet users to its web site, by creating a likelihood of confusion with the complainant's mark.

In contrast, a Respondent may prove that it has legitimate interests in or rights to a domain name by (a) showing demonstrable preparations to use the domain name in connection with a *bona fide* offering of goods or services before any notice of the dispute; (b) showing that it (as an individual, business, or other organization) has been commonly known by the domain name, even if it has acquired no trade-mark rights; or (c) showing that it is making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly

divert consumers or to tarnish the trade-mark at issue.

UDRP proceedings are decided by a Panel comprised of one or three individuals. Both the Complainant and the Respondent are given the opportunity to elect the type of Panel, and where a three-person Panel is chosen by the Respondent, the applicable fees are divided evenly between the parties. In all other cases, the Complainant bears the fees.

The available remedies are limited to the cancellation of the domain name, or its transfer to the Complainant.

Another key feature of the UDRP is that the parties to a dispute are not precluded at any time from submitting the dispute to the courts. Pursuant to the UDRP Rules, Panels are given the discretion to suspend, terminate or proceed to a decision in a proceeding in the event that a lawsuit in respect of the domain name that is the subject of the Complaint is initiated by a party to the dispute. In addition, according to the UDRP, a Registrar must wait 10 business days before implementing an Administrative Panel decision requiring the transfer or cancellation of a domain name, during which time the Respondent may submit proof that it has started an action in a court of appropriate jurisdiction (i.e. one to which the complainant has submitted in the complaint). In such a case, the Registrar will take no further action until it receives proof that the parties have resolved the matter, or that the lawsuit has been dismissed or withdrawn.

Full-text UDRP decisions are available at the ICANN web site (<[icann.org](http://icann.org)>), as are lists of all proceedings to date, making it a relatively simple matter to keep abreast of new decisions.

## **5) C) Observations About the UDRP to Date**

As noted above, since its inception over a year ago, there has been a veritable flood of cases decided under the UDRP, which contrasts sharply with the rate of development of the jurisprudence in virtually any other area of the law anywhere in the world. The Policy and procedures have become generally accepted and notwithstanding the remarkable caseload, the process has remained quick and relatively inexpensive. It also continues to attract considerable attention among the media as a steady stream of high profile and controversial decisions consistently serves to focus the spotlight of public scrutiny on the entire process. Although critics of both ICANN and the UDRP abound, there are also very serious

and credible efforts underway both within the ICANN process and among the international IP community to evaluate the overall trends that have emerged in the UDRP case law, and to identify its successes and failures to date, all in an effort to ensure that obvious flaws are appropriately addressed and that the system is generally improved, even expanded, where possible.

Among the general principles which have emerged from UDRP case law are the following:

- It is not necessary to have a registered trade-mark or service mark in order to successfully defend against a complaint, if a respondent can otherwise show rights to the name in question, such as use as a business name etc. (i.e. *sixnet.com* case -D2000-0008).
- The registration of generic or descriptive names by a domain name broker may be sufficient to establish legitimate rights to a name and negate bad faith (i.e. *thyme.com* case - AF-0104; *craftwork.com* - FA0001000092531). However, as in the *crew.com* case, *supra*, domain name speculation does not always give rise to a legitimate interest as it precludes those with a legitimate desire to use the name from doing so, and is analogous to speculation, which is prohibited by trade-mark law principles.
- The first to register a domain name should prevail in circumstances where the name is a generic word, which is widely used as a trade-mark (*concierge.com* case - FA0002000093547).

Freedom of expression issues have also been repeatedly explored by UDRP Administrative Panels:

- The question of the choice of a domain name for a web site where free speech can be exercised (generally in the nature of a “complaint” site) is *not* to be equated with the act of exercising of free speech giving rise to legitimate rights to a name: “the right to express one’s views is not the same as the right to use another’s name to identify oneself as the source of those views”, *montyroberts.org* case - D2000-0300 (also *saint-gobain.net* case - D2000-0020; *bartlesandjaymes.com/.net* case - D2000-0615);
- Registering a domain name for the purposes of legitimate protest may be acceptable in given circumstances, but a respondent can undermine such legitimate use and be found to act in bad faith by, e.g. attempting to sell the domain name or otherwise extract money from complainant, or threatening

to disrupt complainant's business (*walmartcanadasucks.com* case - D2000-0477).

Other observations include the following:

- Constructive Knowledge of trade-marks: Respondents may be deemed to have constructive knowledge of duly registered trade-marks (under U.S. law) and accordingly, subsequent registration by respondent of a confusingly similar/identical domain name is in bad faith (*cellularonechina.com* case - D2000-0028; *crew.com* case - D2000-0054). However, the minority in *crew.com* (*supra*) expressly rejected the constructive notice principle, particularly in the case of generic terms.
- Offers to sell domain names: The sale of a domain name for a mutually agreeable price, even if in excess of documented out of pocket costs, is not necessarily bad faith unless respondent has no legitimate prior rights or interests in respect of the domain name (*avnet.net* case - D2000-046).
- Double jeopardy: The principle of "double jeopardy" does not apply in the UDRP context. Complainants who cannot initially show bad faith registration *and* use are not precluded from a second UDRP challenge if Respondent subsequently starts to use the name (*presidentschoicesocks.com* case - AF-0164; *buyvuarnetsunglasses.com* case - D2000-0265).

One of the areas of concern that has been identified is the number of conflicting decisions and the apparent divergent interpretation of the Policy by Panels. Some Panels adhere to a strict construction of Policy language and hold Complainants to a high standard of proof, while others focus more on the underlying purpose of the Policy to provide relief against abusive registrations. These two approaches have occasionally resulted in split decisions. (*crew.com* case - D2000-0054; *esquire.com* case - FA0093763; *talkabout.com* case - D2000-0079).

Conflicting decisions also lead to a lack of predictability in the process. Moreover, there exists no appellate procedure that would provide precedent and reconcile conflicting panel decisions. Nor are the usual research resources available to Panelists or disputants that could help increase consistency. For example, despite the large number of decisions to date, there is no adequately searchable database of UDRP decisions, beyond the limited search capabilities offered at ICANN's own website. Services such as Quicklaw, Westlaw, or Lexis have not yet established the kind of searchable database that exists for judicial decisions. As

will be noted later, evidentiary rules are not as clear as in traditional litigation, therefore the nature, quantity and substance of evidence that should be, and is, submitted is far from settled or consistent. Nor are documents other than Panelists' decisions freely available as precedents.

Other criticisms that have been levelled at the UDRP since its inception include the following:

i) Bias in favour of trade-mark owners

- due to the large discrepancy between respective "success rates" of complainants and respondents, critics of the process are quick to conclude that it is biased towards trade-mark owners - *however* to the extent that the Policy is directed to limiting cybersquatting and the majority of cases do involve abusive registrations, the statistics are not unexpected.
- this criticism extends to dispute resolution providers as well, with WIPO being frequently said to be more "pro-trademark owner" than the others, resulting in "forum shopping" - *however* it should also be noted that the dispute service providers function only in an administrative capacity and it is the Panelists who make the decisions.

ii) Applicable Law

- the Policy gives panelists the flexibility to interpret both its wording, and the law applicable to the dispute, and accordingly, this is seen as another cause of inconsistent or biased decisions:
  - In the *saint-gobain.net* case (D2000-0020), the Panelist does not specifically identify any locality as controlling, despite contacts with France (the Complainant), the US (Respondents) and Mexico (the host server);
  - In the *walmartcanadasucks.com* case (D2000-0477), although the Respondent and registrar were both Canadian, and the disputed domain name targeted the American Complainant's Canadian operations, the Panelist relied heavily and exclusively on U.S. trade-mark law and jurisprudence, including use of the "intent to confuse" analysis in the U.S. "likelihood of confusion" test, ostensibly because respondent had cited a U.S. federal court decision in its

pleadings.

iii) Interpretation of “use” may be very broad

- unlike traditional trade-mark rights, under UDRP principles, the absence of any use of a domain name at all can amount to the requisite bad faith registration *and* use that brings the dispute within the ambit of the Policy, as in the *telstra.org* (D2000-0003), where the combination of facts before the Panel led it to equate its finding of “no plausible legitimate active uses” of the domain name by the Respondent, with illegitimate inactive use.

iv) Evidence and proof of allegations

- as noted above, the standards with respect to admissibility and authenticity of evidence are far less stringent;
- facts can be essentially alleged, and/or supported by annexed exhibits (such as copies of trade-mark registration certificates or register pages from online trade-marks databases, copies of web site materials downloaded from the Internet etc.), which are not required to be authenticated;
- there is little or no opportunity for the opposing sides or the Panelist to test the evidence by traditional methods available in litigation (viva voce evidence, cross-examinations, etc.).

v) Reliance on UDRP Precedent

- Panels are beginning to refer to, apply and cite prior UDRP decisions as references with increasing frequency, currently in well over 30% of cases (up from the historical average of about 25%)
- There are 2 main criticisms of this trend:
  - those who favour Panels’ reference to UDRP precedents as a way of ensuring consistency, still consider this number too low and a potential cause of inconsistency, uncertainty and forum shopping among dispute service providers.

- opponents of Panelists' reliance on prior UDRP decisions consider it a dangerous and unreliable practice for a variety of reasons:
- many decisions are criticized for their brevity and the limited extent to which the Panel's analysis of law, facts, and its reasoning in general, is set out;
- there is no public access to pleadings, only decisions;
- where the disputants are from the same country, Panels generally apply the laws of that country, which tends to result in decisions that are fairly consistent with domestic legal jurisprudence, and is essentially what was envisioned by the UDRP drafters. Care must be taken however, when such decisions are applied to disputes involving nationals of other countries, and not all panels are sensitive to this issue (e.g. *biofield.com* case involving American and Korean parties, cited the Nabisco *wheatthins.com* case, which was a U.S. "domestic" case);
- in "international" disputes where Panels cannot apply the provisions or jurisprudence of a specific national legal system, Panelists, who cannot be familiar with the laws of every jurisdiction in the world, are obliged to rely upon "a broad and common sense interpretation" of "general" trade-mark and unfair competition principles, which is likely (if not inevitably) influenced by the legal system with which they are personally familiar (*tourplan.com* case - AF-0096);
- while some panels consider previous cases to be merely persuasive, and feel free to distinguish them based on the facts before them, others consider them binding precedent (*zwackunicum.com* case - D2000-0037), or more important than an in-depth consideration of applicable laws (*eresolution.com* case - D2000-0110) - this is particularly problematic for those who are concerned with the standard of evidence and substantiation of parties' claims in a UDRP.

vi) Applicability

- the UDRP applies only to current gTLDs, and a relative handful of ccTLDs (as noted above) - leaving all the rest open to cybersquatting.

## 5) D) Expansion of the UDRP

The success of the UDRP since its implementation to date indicates that an administrative domain name dispute resolution process is of real value to the Internet community. In view of some of the criticisms above however, as well as the limitations on the scope of the UDRP, both in substance (abusive registrations of trade-marks as domain names) and the TLDs to which it applies, the issue of whether and how the UDRP should be expanded is the subject of current discussion.

Aside from questions of any substantive changes to the policy or rules that would be desirable, it seems evident that it would clearly be of benefit if the UDRP were available across the board in all TLDs. With respect to ccTLDs, as noted earlier, WIPO currently provides dispute resolution services to only a few countries, and Canada is not among them. Although the .ca system has just undergone substantial reform in the transfer of the Registry from the University of British Columbia to the new Canadian Internet Registration Authority (CIRA) and the change to a less restrictive first-come, first-served registration regime, the Canadian Dispute Resolution Policy, or CDRP, is still in the drafting stage and is not expected to be ready for implementation until much later in the year.

Regarding the substantive scope of the UDRP, the WIPO Second Internet Domain Name Process which is currently underway, while not specifically convened for the purpose of assessing the UDRP or studying its expansion, will hopefully be of assistance in analyzing the direction that the expansion of the UDRP should take. The first WIPO domain name process had focused on the “most egregious problems” causing conflict between domain names and trade-marks, though it was recognized that other issues would need further consultation.

In June, 2000, 19 member states requested WIPO to continue its study on outstanding domain name issues which continue to cause uncertainty and concern. RFC-1 (released July 10, 2000) resulted in over 200 submitted comments regarding the scope of the study. Many comments in response to RFC-1 urged caution in expanding the UDRP to cover the issues listed above before a comprehensive assessment of the current Policy and its results can be conducted.

This was followed by RFC-2 (released October 13, 2000) which requested substantive comments (due by the end of last year) on issues related to the bad faith, abusive, misleading or unfair use of:

- personal names,

- International Nonproprietary Names (INNs) for Pharmaceutical Substances,
- names / acronyms of international intergovernmental organizations,
- geographical indications,
- trade names.

Comments were sought regarding the nature of the rights and interests in the above areas, what if any protection should be accorded, and under what circumstances and how (including the use of any technical solutions to reduce tension between domain names and other protected rights). Based on the comments received, and the Regional Consultations that are being held around the world, WIPO will prepare an Interim report to be posted for additional comment (expected to be released on February 23, 2001).

As part of this extensive consultative process, WIPO also organized a Conference on Intellectual Property Questions relating to the ccTLD in Geneva on February 20, 2001. The agenda included discussion of issues such as ccTLD trends and forecasts, the status of .eu, foreign character domains, operational management of ccTLDs, the importance of domain name registrant contact details and the intersection of these and other issues with the management of IP in the ccTLDs and the experience of trade-mark owners in these namespaces.

## **6) Conclusion: How these new developments affect the Internet user**

The ICANN process is now well into its third year, and a tremendous number of developments have taken place since its inception. While many critics of the process remain, overall it appears to be a success. All comments, observations and suggestions from any member of the global Internet community, whether negative or positive, continue to be solicited and heard by the Board and the various structures within ICANN as they work to implement and coordinate Internet management policies, whether such policies are completely new, or modifications of the status quo. Much of what is being done covers very new ground which has no precedent in any technical or legal discipline, and this is particularly why the broadest possible diversity of participants from all stakeholder groups around the world is so important. A wealth of information about ICANN and the issues that are being currently debated and addressed are available on a number of websites: <icann.org>, <dnsso.org>, the IP constituency web site at <ipc.songbird.com>, as well as the web sites of other DNSO constituencies (identified at the DNSO web site).

A whole new body of law and policy is evolving which can no longer be ignored, and is no longer important solely from an Intellectual Property attorney's perspective. Businesses large and small, as well as non-commercial organizations and individuals - all of whom comprise our clients - are increasingly aware of, and require advice regarding the protection of their rights on the Internet and capitalizing on the limitless advantages offered by the Internet while simultaneously avoiding interference with the rights of others.

In addition, the increasing sophistication and globalization of commercial and individual users of the Internet is expanding the scope of the area and issues that need to be monitored beyond the traditional .com namespace. With the addition of the new TLDs recently approved by the ICANN Board, the implementation of the multilingual domain name registration testbed, and the developing closer relationship between ICANN and the ccTLDs, these issues take on a greater significance, as the rights of IP owners are open to attack on a growing number of fronts, making the ability to advise clients on the careful development of an international trade-mark/domain name strategy an integral part of the services provided by IP practitioners.

The key principles of any successful marketing campaign- market penetration and brand recognition - must now be considered on a number of different planes thanks to the instant global presence provided by Internet, making a consideration of the consequences, both positive and negative, of one's actions across a range of jurisdictions and cultures, a pre-requisite to not only reaping the benefits of this medium, but avoiding liability as well. A successful marketing strategy will now include a careful analysis of the advantages and disadvantages of offensive versus defensive domain name registrations, the balance that should be put in place between one's trade-mark and domain name portfolios - where and when is it necessary to supplement one with the other, or sufficient to focus only on the one? In some cases the answer will be straightforward. In others, a more complex strategy should be considered that secures the optimal benefits and protection available under traditional intellectual property regimes, and the newer, more rapidly evolving policies and rules of the DNS.

Everyone attending today is strongly encouraged to reflect on the foregoing, and to remain informed about new developments as they emerge. It is not difficult to become involved in the ICANN process: there are many opportunities to do so, such as joining ICANN's At-Large membership or an appropriate constituency of the DNSO or even one of the other two, more technical Supporting Organizations of ICANN. Information about issues currently before the ICANN Board is always posted on the ICANN web site at <[www.icann.org](http://www.icann.org)> and public comment is solicited before any new policies are adopted. By doing so, anyone who is contemplating,

or is currently engaged in business on the Internet, will understand the necessity for developing a sound domain name / trade-mark strategy.