

A REVIEW OF CERTAIN CASES UNDER THE UNIFORM DOMAIN-NAME DISPUTE RESOLUTION POLICY (UDRP) WITH REFERENCE TO SPORTS DOMAIN NAMES

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Goce Naumovski, Mirjana Polenak-Akimovska and Aleksandar Stojkov

*Ss. Cyril and Methodius University, Skopje, Faculty of Law "Iustinianus Primus",
Skopje, Macedonia*

Abstract:

The work analyses the cases of cybersquatting, with a reference to the so-called sports domain name disputes. Several cases of domains registered in bad faith, relevant to sport products trademarks or names of athletes have been presented. Furthermore, the Uniform Domain Name Dispute Resolution Policy principles are outlined, as well as the basics of the procedure. An overview of the cybersquatting rules in Europe and the United States is also given. Relevant data on the WIPO Domain name cases until 2011 have been analysed. The work of the following ICANN approved service providers is elaborated: the Asian Domain Name Dispute Resolution Centre (ADNDRC), with offices in Beijing, Hong Kong, Seoul and Kuala Lumpur; the National Arbitration Forum (NAF); the WIPO Arbitration and Mediation Centre and the Czech Arbitration Court (in regard to the .eu domain). Several conclusions are presented, concerning the importance of sports domain names disputes from the aspect of intellectual property law, information technology law and sports law.

Key words: *cybersquatting, ICANN, trademarks, complainant, respondent, procedure, WIPO*

INTRODUCTION

The registered domains are fulfilled according to the priority principle. The formula "first come, first served" is the basis of the registration principle or the awarding of a domain name, and represents a "legal transplant" of the Roman law principle "*qui prior est tempore, potior est jure*". This is the theory of legal transplants, supported by Alan Watson, who believes that law is not developed as a result of evolution, but through borrowing or transplanting legal institutions from previous legislations into the contemporary legislation (Watson, 1993). By accepting the application that was submitted first, there were many cases in the beginning when domains were registered that had nothing to do with the real producers or service providers to

which the domain name indicated. For example, domains like McDonald's, Hertz, Rolex and others were given to entities that were quite different from the corresponding companies (Lloyd, 1993). The persons who succeeded in registering these domains, later demanded huge sums of money as compensation for relinquishing the domain to the company that has a trademark apposite to the domain name.

This phenomenon of *malicious, deliberate registration of domains that correspond to trademarks or names of some entities in order to make profit is called "domain hijacking" or "cybersquatting"*. The subject undertaking domain hijacking activities is known as "*cybersquatter*". This subject acts in *mala fides*, contrary to the principles of con-

sciousness and honesty, “occupying” an attractive domain, with the intention of later offering it to the carrier of the eponymous trademark and make profit.

A scholarly example is the court order in the USA in the cases between Dennis Toeppen and Panavision International and Intermatic. Namely, Toeppen had registered a large number of domains that were the same as or similar to famous marks, among which the marks of Panavision® и Air Canada®, as apposite domains: panavision.com and aircanada.com. Panavision® brought an action and the court applied the US traditional trademark right (under the US Federal Trademark Dilution Act). The court established existence of commercial use, because Toeppen had registered a large number of someone else’s trademarks as domain names.

The court ruled similarly in the Intermatic v Toeppen case, where the court found dilution of the Intermatic trademark and registration of a domain name by a person who does not have the right to the trademark (Killian, 2000).

Apart from the domain registration of apposite trademarks in their authentic form, it is possible for the registered domain to be a corrupt, diluted, or deformed shape of a trademark or name. As an example, we could use the .nikke.com domain, which is an on-line shopping web page, but with the average consumer it may arise association with the .nike.com domain, which belongs to the NIKE® Company. In the Macedonian practice, we are familiar with the google.com.mk, yahoo.com.mk domain cases.

Domain hijacking is different from the “honest competition use” of a domain. We could use the comparison of the mtv.com and mtv.com.mk domains as an example for this situation, even though both subjects come from the same line of business.

The Position of the Cybersquatter from Aspect of the Right to a Trademark

How can a trademark holder defend himself from the cybersquatter? First of all, the characteristics of the mark should be pointed out, and they are: territoriality and specialty. Typical for the mark is territoriality, simply because it is valid on the territory of one country or one region or a special union of countries. According to the Madrid Arrangement Concerning the International Registration of Marks

or The Trade Mark Ordinance of the European Union, a “Community Trade Mark” is established, a trademark of the EU Member States.

The mark has a distinctive function, i.e. it differentiates goods and services of one participant in the commercial trade from another, for identical or similar goods and services. There may be more identical or similar marks for different goods and services at the same time. The exception for the widely known marks has already been mentioned.

On another level, the source of the problems in the constellation between the domain names and the marks, irrespective of whether it is about the actions of the cybersquatter or same marks that strive towards one domain name, is exactly in the previously mentioned registration priority principle. If the holder of a mark wishes to register a domain name, he would face serious difficulties if that had previously been done by the cybersquatter. The purpose of the cybersquatter, acting in bad faith, is to gain profits by registering someone else’s mark or “to dilute” a renown mark as a domain name, and to later offer the domain name to the mark holder. The domain registration, as well as its maintenance, does not require a lot of money compared to the extorted sum for transferring the domain name to the mark holder. In this way, the cybersquatter would groundlessly gain wealth, acting in bad faith (*mala fides*).

METHODS

For the purpose of determination of the relevance of the domain name disputes in general with particular reference to sport domain names, the procedure for resolving domain name disputes is examined. Furthermore, the provisions of within the comparative law are analysed.

Procedure for Resolving Domain Disputes

Two parties appear in the disputes dealing with the domains: one of the parties is the person who is most often the trademark holder or a legal or physical person who believes that his/her interest is endangered by the domain (*petitioner; appellant, complainant*), while the other party is the person who registered the domain (*domain holder; respondent*).

Due to the sensitivity of the matter, but also from economical reasons, disputes regarding domains are most commonly subject to alternative dispute resolution. The parties, however, may ini-

tiate a court procedure for the domain, even if a decision had already been made in the alternative dispute resolution procedure.

An Overview of Resolutions in Comparative Law

In most national legislations, there are several regimes for regulating cases involving domains, especially in terms of cybersquatting. In this regard, the practice of the USA and Australia is indicative. Yi Fen Lim gives the following facts (Lim, 2002).

In the *United States of America*, the so called Anticybersquatting Protection Act (Truth in Domain Names Act) applies since 1999. This Act forbids behaviour of individuals, who have bad faith intent to profit from someone else's trademark, by registering or using domain names that are identical, confusingly similar or delusive of a trademark. The most interesting aspect of this piece of legislation is 15 USC s. 1125 (d) 2 C. Pursuant to this Article, the domain names are subject to an *in rem* action, in the judicial district where the domain name was registered. If, however, the cybersquatter is a legal person, then an *in personam* action is filed.

In *Australia*, the purpose of the domain registration policy is to prevent cybersquatting. The domain allocation, however, is determined by the *first come first serve* rule. Only trading entities may get the .com.au domains. These trading entities may be registered in one of the following forms: companies (including foreign companies in Australia), registered names of companies, incorporated associations, statutory trading bodies, financial institutions, registered funds. The applicants may use the full name or an abbreviation for the domain name. There are three conditions that need to be fulfilled in case of an abbreviation: the abbreviation needs to derive from the full name; signs may be removed from the name, but sequences may not be changes; and new signs may not be introduced.

As per the *European Union* legislation, the cases of suspicious domain registrations and their abuse are settled in a court procedure or in an alternative dispute resolution procedure.

Regulation 874/2004 provides that a registered domain name may be subject to revocation where that name is identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or Community law

(Commission Regulation (EC) No 874/2004 of 28 April 2004 laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (Official Journal of the European Union L 162/43) and where it:

“(a) has been registered by its holder without rights or legitimate interest in the name; or

(b) has been registered or is being used in bad faith.

A legitimate interest of the holder may be demonstrated where:

(a) prior to any notice of an alternative dispute resolution (ADR) procedure, the holder of a domain name has used the domain name or a name corresponding to the domain name in connection with the offering of goods or services or has made demonstrable preparation to do so;

(b) the holder of a domain name, being an undertaking, organisation or natural person, has been commonly known by the domain name, even in the absence of a right recognised or established by national and/or Community law;

(c) the holder of a domain name is making a legitimate and non-commercial or fair use of the domain name, without intent to mislead consumers or harm the reputation of a name on which a right is recognised or established by national and/or Community law.”

Alternative Dispute Resolution Regarding Domains

The purpose of the alternative dispute resolution (ADR) in information technology law, as in any other legal branch, is to enable dispute resolution in an efficient, time and money saving manner for the parties. This is a rational alternative to the judicial process. In regard to the domains, this is even more evident, bearing in mind the distance of the parties in dispute of the domain.

In 1999, the Internet Corporation for Assigned Names and Numbers (ICANN) adopted the Uniform Domain Name Dispute Resolution Policy (UDRP Policy), as well as the UDRP Rules that regulate the administrative procedure for resolving domain disputes.

Under the UDRP rules, the domain name dispute resolution procedure may take place before one of the following ICANN approved service providers : the Asian Domain Name Dispute Resolution Centre (ADNDRC), with offices in

Beijing, Hong Kong, Seoul and Kuala Lumpur; the National Arbitration Forum (NAF); the WIPO Arbitration and Mediation Center and the Czech Arbitration Court (in regard to the .eu domain). The list of providers may be amended, which essentially means that ICANN has the right to assign a new provider or to revoke the approval to some of the existing providers. Each provider follows the UDRP Rules, as well as its own supplemental rules, in the dispute resolution procedure.

As for who would be “in charge” of some dispute, the selection is made by the submitter of the complaint, or the trademark holder, and is bound to put that in the complaint.

ICANN's General UDRP Rules

The UDRP rules have double goals: to remove bad faith domain holder from the virtual space and to enable the complainant (mark holder) to get the domain to which he has a legitimate right. UDRP rules apply to dispute resolution regarding generic top-level domains (gTLD): .com, .net, .org, .biz, .name, .info, .pro, .coop, .aero, .museum, .job and .travel. UDRP is accepted only for some of the national domains (e.g., .nu, .tv, .ws). The maintenance of the national top-level domains (ccTLD) is under the authority of a separate Agency of the International Standardisation Organisation (ISO 3166 Maintenance agency (ISO 3166/MA)), in accordance with the procedures of the Internet Assigned Numbers Authority (IANA).

The procedure begins by submission of a complaint by the trademark holder, in which he/she states the relevant facts. The entire procedure is shown on the picture below.

Under the UDRP Rules (Uniform Domain Name Dispute Resolution Policy, adopted: August 26, 1999), it is quite probable that the domain holder would lose the right to the domain, in case when the trademark holder submits a complaint, which proves bad faith (*mala fides*): “,, 1) that the manner in which the domain name(s) is/are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; 2) why the Respondent (domain-name holder) should be considered as having no rights or legitimate interests in respect of the domain name(s) that is/are the subject of the complaint; and 3) why the domain name(s) should be considered as having been registered and being used in bad faith...”

The Respondent (domain-name holder) has to

submit a response within twenty (20) days of the date of commencement of the administrative proceeding. In the response, the domain-name holder attempts to prove his/her right and legitimate interest to use the domain. Based on the evidence, the Panel may render one of the following decisions: 1) the registration of the domain to be revoked or deleted; 2) the domain to be transferred from the domain owner to the trademark holder; or 3) to leave the domain to the domain owner, i.e. to reject the complaint of the trademark holder.

Asian Domain Name Dispute Resolution Centre (ADNDRC)

ADNDRC was approved for dispute resolutions under the UDRP Rules in February 2002. ADNDRC is a joint undertaking of several bodies: the China International Economic and Trade Arbitration Commission (CIETAC); the Hong Kong International Arbitration Centre (HKIAC), the Korean Internet Address Dispute Resolution Committee (KIDRC) and the Kuala Lumpur Office operated by the Kuala Lumpur Regional Centre for Arbitration (KLRC).

The ADNDRC has four: Beijing, Hong Kong, Seoul and Kuala Lumpur. Each of these offices has supplemental rules to the UDRP ones, which mostly regulate technical and costs issues.

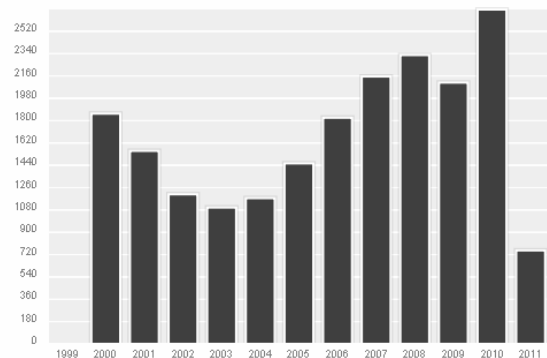


Figure. 1. Number of WIPO Domain Name Cases in the period 1999 – 2011 (April)
(Source: WIPO)

Proceedings before the National Arbitration Forum (NAF)

NAF was approved by ICANN for dispute resolutions under the UDRP Rules in 1999. Its head-

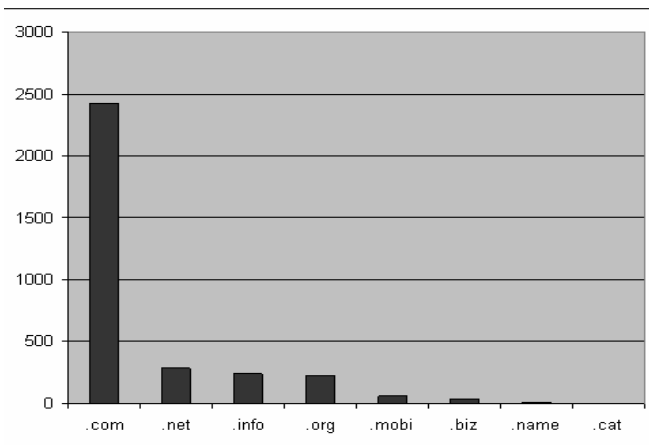


Figure 2. gTLDs in WIPO Domain Name Cases
(Source: WIPO)

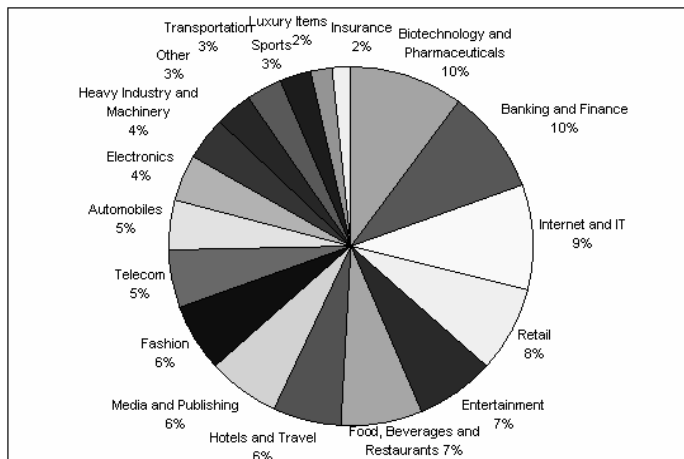


Figure 3. Areas of WIPO Domain Name Complainant Activity
(Source: WIPO)

quarters is in Minneapolis, Minnesota, USA. It is considered one of the most effective organisations dealing with Alternative Dispute Resolution. So far, NAF has resolved over 10.000 domain-name disputes and in 2007 it presided over 1.805 domain-name disputes.

WIPO Arbitration and Mediation Centre

Globally, the WIPO Centre is the most popular provider organisation for domain-name dispute resolution, among other things because of the First and Second WIPO Internet Domain Name Processes,

which result in adoption of final reports focusing on the conflict between domain-names and trademarks. Among the more popular cases administered by this Centre are the ones involving the domains: *bmw.org*, *nike.net*, but also cases connected to celebrity names, like *.madonna.com*, resolved in favour of Madonna Ciccone.

According to a WIPO press release, in 2010 trademark holders filed 2,696 cybersquatting cases covering 4,370 domain names with the WIPO Arbitration and Mediation Center (WIPO Center) under procedures based on the Uniform Domain Name Dispute Resolution Policy (UDRP), an increase of 28% over the 2009 level and of 16% over the previous record year, 2008 (Cybersquatting Hits Record Level, 2011). Most cases are filed by parties based in the United States of America or Europe (including, increasingly, in Eastern European countries).

WIPO's data from 10 April, 2011, indicate that the number of domain-name disputes is constantly increasing. The Number of WIPO Domain Name Cases in the period 1999 – 2011 is presented on Figure 1. As for the types of domains, *.com* domains remained the solid leader in terms of the number of domain names included by complainants in cases filed with WIPO, followed by *.net*, *.info*, *.org*, *.mobi*, *.biz*, *.cat*, etc. This tendency is represented on Figure 2. The dominating sectors were Biotechnology and Pharmaceuticals, Banking and Finance, and IT. The graphical representation of disputes as per this criterion is given on Figure 3.

Proceedings before the Czech Arbitration Court

The Czech Arbitration Court was authorised as UDRP service provider in January 2008. This Arbitration Court is based in Prague and is attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic. The Czech Arbitration Court administers ADR Proceedings according to ADR Rules and in line with the Public Policy Rules for *.eu* domain of the European Commission (EC Regulation 874/2004), as well as its own Supplemental Rules.

The following may be conditions for initiating a procedure: existence of a suspicious registration of a domain-name or its abuse; or rendering a decision by the Registrar contrary to the Regulation (EC) No 733/2002 on the implementation of the *.eu* Top

Table 1. Typical Sports Domain Names Cases Resolved under UDRP

Disputed domain name(s)	Complainant (Trademark owner/Athlete)	Case No.:	Decision:
capremierleague.com	PREMIER LEAGUE	D2005-0014	Transferred to complainant
Nike.net	Nike, Inc	D2000-1120	Transferred to Complainant
nike-shoes.com	Nike, Inc	D2000-1397	Transferred to Complainant
venusandserenawilliams.com venusandserenawilliams.net venusandserenawilliams.org	Serena Williams Venus Williams	D2000-1673	Transferred to Complainant
Worldwrestlingfederation.com	World Wrestling Federation Entertainment, Inc	D1999-0001	Transferred to Complainant
damonhill.com	Damon Hill Grand Prix Limited	D2001-1362	Transferred to Complainant
ronaldinhogaucho.com	Ronaldo de Assis Moreira	D2004-0827	Transferred to Complainant
realmadrid.org	Real Madrid Club De Fútbol	D2000-1805	Transferred to Complainant
bayernmuenchen.net bayernmunchen.net	FC Bayern München AG	D2003-0464	Transferred to Complainant
tottenhamhotspur.com	Tottenham Hotspur plc	D2003-0363	Transferred to Complainant
jordanf1.com	Jordan Grand Prix Limited	D2000-0233	Transferred to Complainant
clubferrari.com clubferrari.net	Ferrari S.p.A.	D2003-0050	Transferred to Complainant
f1.com	Formula One Licensing, B.V.	D2000-0193	Complainant denied
uefachampionsleague.com	Union des associations européennes de football (UEFA)	D2000-0153	Transferred to Complainant
wc02.com wc2002.com worldcup02.net worldcup02.org worldcup10.com worldcup2002.com worldcup2002.net worldcup2002.org worldcup2006.org worldcup2010.com worldcup2010.net worldcup2010.org 2002worldcup.net 2002worldcup.org 2006worldcup.org	Fédération Internationale de Football Association (FIFA) ISL Marketing AG	D2000-0034	Transfer, cancellation in part

(Source: <http://www.wipo.int/amc/en/domains/search/case.jsp>)

Level Domain (Official Journal of the European Union L 162/43).

RESULTS AND DISCUSSIONS

Analysis of Cases Related to Trademarks for Sport Products

Domain name disputes are of particular interest when the disputed domain name is a so called sports domain name, i.e. domain names that are somehow related to the sports industry.

The importance of sports domain name disputes was also noted by Director General of WIPO, Dr Francis Gurry, who expressed his view that "...Reflecting the increasing commercial importance of sport, the number of sports-related WIPO UDRP complaints has been rising. In football, for example, WIPO complainants have included famous players, such as Ronaldinho and Totti, eminent managers, like Sir Alex Ferguson, and major clubs, like Real Madrid and Liverpool. In sport, as in other fields, there is need for continued vigilance by rights owners. The UDRP has proven to be a very effective instrument in combating predatory practices aimed at siphoning off the goodwill attached to major players and participants..." (Blackshaw, 2009).

Among the most interesting cases dealt by the WIPO ICANN, who is a typical example of the three perquisites for the cybersquatting phenomenon is the *Barcelona FC* case. Namely, Barcelona FC, a holder of a community trademark FCBARCELONA, as well as a Spanish trademark for FCBARCELONA.COM. launched a complain when several domain names were registered such as: fcbarcelona.net and fcbarcelona.org. The respondent was a company in Spain, who failed to prove that it has a legitimate interest in the domain. (Blackshaw, 2009). The results of the analysis of the typical Sports Domain Names Cases Resolved under UDRP, elaborated by Blackshaw, are presented on Table 1.

The complainants in other sports domain names are usually owners of trademarks for sports products, but also sports personalities, i.e. athletes whose personal names, have been registered in bad faith by other entities.

CONCLUSIONS

The phenomenon of cybersquatting remains a challenge for intellectual property legislations. The emerging sports industry had influenced the cyberspace, manifested by relations between domain names and sport products trademarks. The analysis shows that most of the decisions on cybersquatting of sports domain names have resulted with transfer to the trademark owner or the athlete whose interests have been endangered by the disputed domain.

The concepts of trademark law and information technology law are important and consistent theoretical framework for regulation of the domain name disputes. In terms of sports law, this invokes the special attention of sports lawyers, but also the appropriate approach of the primary and secondary legislation.

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ПРЕГЛЕД НА НЕКОИ СЛУЧАИ СПОРЕД UDRP СО ОСВРТ НА СПОРТСКИТЕ ДОМЕН ИМИЊА

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(Оригинален научен труд)

Гоце Наумовски, Мирјана Поленак-Акимовска и Александар Стојков

*Универзитет “Св. Кирил и Методиј”, Скопје, Правен факултет “Јустинијан
Први”, Скопје, Македонија*

Апстракт:

Во трудот се анализирани случаи на сајберсквојинг, со осврт на споровите за таканаречените спортиски домен имиња. Презентирани се неколку случаи на домени регистрирани мала фидес, релевантни за трговски марки на спортиски производи или имиња на спортисти. Потенцирани се принципите и основите на постапката во рамките на единствената политика за решавање на спорови за домен имиња. Даден е преглед на правилата за сајберсквојинг во Европа и во Соединетите Американски држави. Анализирани се соодветни податоци на Шведската организација за интелектуална сопственост (СОИС) за домен имиња. Презентирана е работата на следниве провајдери на услуги на Меѓународната корпорација за доделени имиња и броеви: Азискиот центар за решавање на спорови за домен имиња; Националниот арбитражен форум; Центарот за арбитража и медијација на СОИС и на Чешкиот арбитражен суд (во однос на „eu - доменот“). Презентирани се неколку заклучоци за значењето на споровите за спортиските домен имиња од аспект на правото на интелектуална сопственост, правото на информатичка технологија и на спортиското право.

Клучни зборови: *сајберсквојинг, ICANN, трговски марки, тужител, тужен, постапка, WIPO*