January 2002

Judicial Review of ICANN Domain Name Dispute Decisions

David E. Sorkin

Follow this and additional works at: http://digitalcommons.law.scu.edu/chtlj

Part of the Law Commons

Recommended Citation

Available at: http://digitalcommons.law.scu.edu/chtlj/vol18/iss1/2

This Article is brought to you for free and open access by the Journals at Santa Clara Law Digital Commons. It has been accepted for inclusion in Santa Clara High Technology Law Journal by an authorized administrator of Santa Clara Law Digital Commons. For more information, please contact sculawlibrarian@gmail.com.
Since late 1999 more than 3,000 quasi-arbitral proceedings have been conducted to address disputes involving Internet domain names. These proceedings are governed by the Uniform Dispute Resolution Policy (UDRP) adopted by the Internet Corporation for Assigned Names and Numbers (ICANN). A UDRP proceeding is instituted by a trademark owner who wishes to challenge a domain name. If the UDRP panel orders that the domain name should be transferred to the trademark owner, that order will be implemented unless the domain name registrant promptly commences a lawsuit against the trademark owner. Apart from this provision for external judicial review, there is no appeal mechanism within the UDRP.

Domain name registrants have taken advantage of the right to seek judicial review in a small but significant number of cases. At
least two U.S. courts thus far have held that they are not bound by UDRP decisions, although the legal effect of these decisions remains unclear. Courts normally apply an extremely deferential standard of review to arbitration decisions. As this Article will explain, however, courts should be very hesitant to place much reliance on the conclusions of UDRP panels.

Part I of this Article discusses the scope of judicial review of arbitration decisions generally. Part II describes ICANN's UDRP process, including some of the major differences between UDRP proceedings and conventional arbitration. Part III examines the experience to date of courts that have addressed disputes subject to parallel UDRP proceedings. Finally, in Parts IV and V, the Article discusses substantive and procedural objections following UDRP decisions in legal proceedings, and concludes that a de novo standard of review is warranted.

I. JUDICIAL REVIEW OF ARBITRATION DECISIONS GENERALLY

Arbitration offers numerous benefits. Compared to litigation, arbitration is a fast, inexpensive, and efficient means of resolving disputes, and it provides a greater degree of finality. Yet it does not always deliver all of these promised benefits; in particular, arbitration can be quite expensive and drawn out, and it is not uncommon for those who lose in arbitration to seek recourse in the courts.

Courts apply an extremely narrow standard of review to arbitration decisions. The Federal Arbitration Act provides only four grounds for vacating an arbitration award, all of them procedural in nature:


7 Parallel legal proceedings, for the purposes of this Article, are legal proceedings involving the same parties and disputed domain name(s) as a pending or completed UDRP proceeding.


9 See Stipanowich, supra note 8, at 450–53.

(1) Where the award was procured by corruption, fraud, or undue means.

(2) Where there was evident partiality or corruption in the arbitrators, or either of them.

(3) Where the arbitrators were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced.

(4) Where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made.\(^{11}\)

Some courts will also reverse arbitration awards that are arbitrary or capricious, in manifest disregard of the law, or contrary to public policy, even though these grounds do not appear in the federal statute,\(^{12}\) and parties themselves may contract for broader judicial review (for example, for errors of fact or law) in their arbitration agreement.\(^{13}\)

The primary justification for limiting the scope of judicial review is to preserve the finality of arbitration awards. Absent such a limitation, a losing party could always appeal to a court, avoiding finality and defeating the other purposes of arbitration as well.\(^{14}\) Furthermore, courts frequently are not well equipped to address issues decided in arbitration. Arbitration panels often decide cases without making detailed findings of law and fact, making it difficult or impossible for a court to review the substance of a panel’s conclusions.\(^{15}\) In addition, parties often select arbitrators with

\(^{11}\) Id. § 10(a).


\(^{13}\) See generally Sasser, supra note 12 (favoring expanded judicial review when contracted for by parties); Di Jiang-Schuerger, Note, Perfect Arbitration = Arbitration + Litigation?, 4 HARV. NEGOT. L. REV. 231 (1999) (arguing against expanded review).

\(^{14}\) See Sasser, supra note 12, at 342.

\(^{15}\) The American Arbitration Association discourages arbitrators from publishing reasoned awards, precisely because a written opinion might invite a losing party to attack the decision. See Hochman, supra note 8, at 104–05; Stipanowich, supra note 8, at 439. In a survey of construction attorneys conducted in 1985 and 1986, only about half the respondents favored requiring arbitrators to provide a written rationale for their awards; most respondents opposed requiring written conclusions of law, partly because of the likely effect on finality of decisions. See Stipanowich, supra, at 469.
specialized industry expertise, sometimes with the intent that the dispute be decided based on industry standards rather than legal principles. Judges are very unlikely to possess comparable expertise, and thus would find themselves at a great disadvantage in reviewing the merits of an arbitration award.

Nonetheless, a number of arguments have been made for broadening the scope of judicial review. For example, where a party's participation in arbitration has effectively been compelled (as, for example, by an adhesion contract), or where the arbitration award effectively decides legal questions with important public policy implications (for example, in employment discrimination cases), courts may wish to subject arbitration awards to stricter scrutiny. Judicial review also may help reduce the incidence of fraud and abuse. An appeal mechanism might encourage parties to enter into arbitration agreements, cause arbitrators to decide cases more conscientiously, and promote public confidence in arbitration.

II. ICANN'S DISPUTE RESOLUTION PROCESS

The Internet Corporation for Assigned Names and Numbers (ICANN) was formed as a nonprofit entity in 1998, primarily at the instigation of the U.S. Department of Commerce. ICANN is charged with administering the Internet's addressing systems,

---

16 See, e.g., Hochman, supra note 8, at 103 (noting that parties in certain industries historically desired to have disputes decided by industry experts rather than lawyers).
19 See id. at 626–27; Sasser, supra note 12, at 357.
including the domain name system. ICANN has attracted considerable attention over the past two years for its role in approving and rejecting various proposals for new top-level domains (TLDs) to supplement "\.com" and other existing TLDs. As the de facto accrediting agency for domain name registrars, however, ICANN also has the power to set forth the terms under which registrars may operate. In particular, ICANN directs accredited registrars to require domain name registrants to submit to the Uniform Domain Name Dispute Resolution Policy.

Under the UDRP, any person or entity with rights in a trademark may initiate an administrative dispute resolution proceeding by submitting a complaint to one of the four ICANN-approved dispute resolution service providers: the World Intellectual Property Organization (WIPO), the National Arbitration Forum (NAF), eResolution, and the CPR Institute for Dispute Resolution. The complaint must allege three elements: (1) that the domain name is identical or confusingly similar to the complainant's trademark; (2) that the registrant lacks rights or legitimate interests in the domain name; and (3) that the domain name has been registered and is being used in bad faith. The complainant also must agree to submit to the

---

25 See ICANN Policy, supra note 2, ¶ 4(a).
jurisdiction of the courts in a "mutual jurisdiction" with respect to a challenge to the proceeding. The provider then forwards the complaint to the domain name registrant, who has twenty days to submit its response.

UDRP disputes are decided by a panel comprised of one or three members; unless one of the parties elects a three-member panel, a single panelist is appointed. Each provider maintains a list of qualified panelists, and the sole or lead panelist is selected from the provider’s list of panelists. Where a three-member panel is to be appointed, each party may nominate prospective panelists drawn from any provider’s list, and the provider administering the proceeding will attempt to appoint a panelist nominated by each party. The panelists generally are experienced intellectual property attorneys, academics, or (in the case of the NAF) retired judges.

The panel is instructed to decide the dispute on the basis of the statements and documents submitted, applying any rules of law that it deems applicable. Absent exceptional circumstances, the panel is

26 See ICANN Rules, supra note 24, ¶ 3(xiii). A “mutual jurisdiction” is defined as: [A] court jurisdiction at the location of either (a) the principal office of the Registrar (provided the domain-name holder has submitted in its Registration Agreement to that jurisdiction for court adjudication of disputes concerning or arising from the use of the domain name) or (b) the domain-name holder’s address as shown for the registration of the domain name in Registrar’s Whois database at the time the complaint is submitted to the Provider.

Id. ¶ 1.

27 See ICANN Policy, supra note 2, ¶ 5(a).

28 The fee varies by provider. WIPO currently charges $1,500 for a single-panelist proceeding involving up to five domain names, and $3,000 for a three-panelist proceeding. See WIPO, Schedule of Fees under the ICANN Policy (effective Aug. 15, 2000), at http://arbiter.wipo.int/domains/fees. The fee is paid by the complainant, unless the respondent opts for a three-member panel, in which case each party pays half of the applicable fee. See ICANN Rules, supra note 24, ¶ 19.

29 See ICANN Rules, supra note 24, ¶ 6(d).


31 See ICANN Rules, supra note 24, ¶ 15(a). Panels occasionally cite to statutes and court decisions, generally from the jurisdiction in which one or both parties are located, although citations to previous UDRP decisions (and of course to the UDRP itself) are much more common.
expected to render a decision within fourteen days of its appointment. The only remedies available are cancellation of the domain name and transfer of the name to the complainant. A panel also may determine that the complaint was brought in bad faith—a practice often referred to as reverse domain name hijacking—but such a determination has no practical effect. The panel’s decision is communicated to the parties and subsequently published on the provider’s Web site.

If the panel orders that a domain name be transferred or cancelled, the domain name registrar ordinarily will implement that order after ten business days have passed. However, the registrant may stay that action by commencing a lawsuit against the complainant in the mutual jurisdiction previously specified by the complainant. The registrant must furnish documentation of the lawsuit to the registrar within the ten-day period. The registrar then will stay implementation of the order pending resolution of the lawsuit.

UDRP proceedings differ from conventional arbitration in a number of ways. Participation in UDRP proceedings is mandatory

---

32 See id. ¶ 15(b).

33 See id. ¶ 4(i). In practice, cancellation of a domain name is rare, as it causes the domain name to be released for re-registration by anyone. As a result, knowledgeable complainants and those represented by capable counsel normally seek transfer rather than cancellation. See, e.g., ISL Mktg. AG v. Chung, No. D2000-0034 (WIPO Apr. 3, 2000), at http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0034.html. But see, e.g., Montgomery Mall Assocs. L.P. v. Smirk, Inc., No. FA0104000097042 (NAF May 14, 2001) (ordering cancellation of a domain name, apparently on the ground that neither party ought to possess exclusive rights in the name), at http://www.arbforum.com/domains/decisions/97042.htm; Fiber-Shield Indus., Inc. v. Fiber Shield Ltd., No. FA0001000092054 (NAF Feb. 29, 2000), at http://www.arbforum.com/domains/decisions/92054.htm. Most of the cancellation decisions to date have been issued by National Arbitration Forum panels, perhaps because panelists affiliated with other providers tend to have a better understanding of the domain name system. One critic describes the cancellation option rather coarsely as “a classic case in point of what happens when stupid people are asked to do something requiring thought.” See John Berryhill, WIPO Suction, The UDRP CANCELLED DOMAIN COLLECTION, at http://www.nokiagirls.com (last visited Nov. 16, 2001).

34 See ICANN Rules, supra note 24, ¶ 15(e).

35 See id. ¶ 16; ICANN Policy, supra note 2, ¶ 4(j). ICANN’s Web site contains links to the providers’ Web sites and to an engine that searches the text of the decisions. See ICANN, Uniform Domain-Name Dispute-Resolution Policy, at http://www.icann.org/udrp/udrp.htm (last updated Aug. 26, 2001).

36 See ICANN Policy, supra note 2, ¶ 4(k). Some commentators have proposed that an internal appellate process be made available in lieu of external judicial review. See, e.g., M. Scott Donahey, Adding Appeals Procedure to Dispute Resolution Might Satisfy ICANN Critics, 6 BNA’S ELECTRONIC COM. & L. REP. 21, 33 (Jan. 10, 2001).
for domain name registrants, but optional for trademark owners (as they are not bound by contracts with domain name registrars), who may choose to take their trademark or related claims directly to court. UDRP decisions are not binding; a losing domain name registrant can block implementation of a cancellation or transfer order by filing a lawsuit following the decision, and a losing trademark owner can resurrect its claim by filing suit or (depending on the panel) merely by filing a second UDRP complaint. UDRP proceedings are conducted almost exclusively via documents, with live hearings being rare or nonexistent. Furthermore, panelists generally have only a few days to review these documents, conduct their deliberations, and draft the decision. It should not be surprising that they often seem hesitant to delve deeply into contested factual matters or complex policy questions.

Default proceedings are commonplace; domain name registrants do not even file a response in one third to one half of all UDRP cases, and complainants have prevailed in nearly all such instances.

---

38 See, e.g., High Speed Prod'ns., Inc. v. Thrasher Magazine, Ltd., No. FA0103000007008 (NAF June 20, 2001) (finding in favor of trademark owner that had lost previous identical proceeding, citing UDRP decisions on both sides of preclusion question), at http://www.arbforum.com/domains/decisions/97008.htm; County Bookshops Ltd. v. Loveday, No. D2000-0655 (WIPO Sept. 22, 2000) (noting that "the Policy does not absolutely bar a Complainant from reapplying by filing a new Complaint (subject to payment of a further fee) if it is able to present more substantial and convincing evidence to justify its claim."). at http://arbitr.wipo.int/domains/decisions/html/2000/d2000-0655.html.
39 In-person hearings (including teleconferences) are permitted only if a panel deems a hearing necessary "as an exceptional matter." ICANN Rules, supra note 24, ¶ 13.
41 See John G. White, Note, ICANN's Uniform Domain Name Dispute Resolution Policy in Action, 16 BERKELEY TECH. L.J. 229, 236-37 (2001); Mueller, supra note 24, at 11–12.
UDRP panelists are expected to write reasoned opinions describing their decisions, and decisions are promptly published on the Web. Indeed, the UDRP has in effect given rise to a new system of international common law, with panelists increasingly citing to, and relying upon, previous UDRP decisions.

Commentators have been highly critical of some UDRP decisions, often arguing that panels have stretched the UDRP far beyond its intended scope, or that they have simply applied it incorrectly. Nevertheless, relatively few UDRP decisions have been brought to the courts, perhaps because of the high expense of litigation relative to the value of a domain name, or perhaps because trademark owners and domain name registrants believe it would be difficult to convince a court to overturn a UDRP decision.
III. UDRP Disputes in the Courts

Limited insight into how courts will consider UDRP panel rulings is available from five recent federal court decisions. The first, *Weber-Stephen Products Co. v. Armitage Hardware & Building Supply*,46 involved a trademark lawsuit brought by a manufacturer against a retailer that had registered webergrills.com and various other domain names incorporating the manufacturer’s trademarks.47 The manufacturer had initiated a UDRP proceeding one day prior to filing the lawsuit. The retailer asked the court to declare the UDRP proceeding non-binding and to stay the court case pending its resolution.48

Relying largely upon the language of the UDRP itself, the *Weber* court noted that the policy contemplates the possibility of parallel legal proceedings, and that it does not intend UDRP panel decisions to be binding on courts.49 The court held that it was not bound by the outcome of UDRP proceedings, and it granted the requested stay.50 However, the court specifically declined to decide the applicable standard of review and degree of deference that it would apply to a UDRP decision.51

The second case, *Referee Enterprises, Inc. v. Planet Ref, Inc.*,52 was a dispute between a magazine publisher and an on-line publisher. The magazine publisher initiated a UDRP proceeding based upon its trademark rights in the word “referee” as a magazine title, challenging the on-line publisher’s use of “ereferee” in various domain names.53 The UDRP panel denied the complaint on the grounds that the on-line publisher was using the term “referee” legitimately, in its generic

---

48 In the alternative, the retailer asked the court to consider whether the retailer could be compelled to participate in the UDRP proceeding, and to stay the UDRP proceeding pending its determination of that question. See *Weber-Stephen Prods. Co.*, 54 U.S.P.Q.2d at 1768.
49 See id.
50 See id.
51 See id.
53 The domain names at issue were ereferee.com, ereferee.net, and ereferee.org. See *Referee Enters., Inc. v. Planet Ref, Inc.*, No. FA0004000094707 (NAF June 26, 2000), at http://www.arbforum.com/domains/decisions/94707.htm.
sense. The magazine publisher subsequently filed suit in federal court, alleging various violations of federal trademark law. The court granted an extremely broad preliminary injunction that prohibited the on-line publisher from using any domain name or URL that included the word "referee." Interestingly, the court did not even mention the UDRP proceeding in its ruling, perhaps suggesting that it gave the prior decision no deference at all.

The third case, *Parisi v. NetLearning, Inc.*, was a declaratory judgment action brought by a domain name registrant subsequent to his loss in a UDRP proceeding. The trademark owner moved to dismiss the action, arguing that the complaint failed to allege sufficient grounds to vacate an arbitration award under the Federal Arbitration Act (FAA). The court denied the trademark owner’s motion to dismiss, holding that the FAA does not apply to UDRP proceedings. Like the courts in *Weber* and *Referee Enterprises*, however, the *Parisi* court declined to specify the weight it would give to a UDRP decision.

The fourth case, *Registral.com, LLC v. Fisher Controls International, Inc.*, also involved a domain name registrant seeking

---

54 Id.
56 See Richard Raysman & Peter Brown, *Domain Name Litigation – Exclusivity, Finality and Deference*, N.Y.L.J., June 6, 2001, at 3. To the extent that the domain name registrant in *Referee Enterprises* fared worse in court than in the UDRP process, this case seems to represent an anomaly, as trademark owners generally seem to fare better in UDRP proceedings than in court. See Mark K. Anderson, *Ref vs. Ref: Who Decides?*, WIRED NEWS, Mar. 9, 2001, at http://www.wired.com/news/business/0,1367,42248,00.html. Nonetheless, it is significant in that it is one of only a handful of court decisions addressing trademark-related domain name disputes previously adjudicated under the UDRP.
60 Parisi, 139 F. Supp. 2d at 752–53.
to avoid implementation of an unfavorable UDRP ruling. The *Fisher* court described the parallel UDRP proceeding in a footnote, but did not otherwise mention or rely upon the result of that proceeding in reaching its decision on the merits.

Most recently, in *Strick Corp. v. Strickland*, the court cited *Parisi* for the proposition that UDRP decisions are subject to de novo review. The domain name owner in *Strick* prevailed in a UDRP proceeding and subsequently won on summary judgment in court. As in *Fisher*, the court included only a brief mention of the parallel UDRP proceeding in its decision.

**IV. SUBSTANTIVE CONCERNS**

Judicial deference to UDRP decisions is problematic in part because of significant differences in the scope and substance of parallel UDRP and legal proceedings. At least in theory, the UDRP is intended to cover only a narrow range of domain name disputes: claims of “abusive registration” of a domain name made with the intent to profit from another’s trademark. The UDRP itself contemplates that most domain name disputes, including all “legitimate” disputes, are beyond its scope.

---

62 See id. at *8 n.1.
64 See id. at 374 & n.5.
65 The ICANN staff report released when the policy was approved describes its scope as follows:

[The UDRP] calls for administrative resolution for only a small, special class of disputes. Except in cases involving “abusive registrations” made with bad-faith intent to profit commercially from others’ trademarks (e.g., cybersquatting and cyberpiracy), the adopted policy leaves the resolution of disputes to the courts (or arbitrators where agreed by the parties) and calls for registrars not to disturb a registration until those courts decide. The adopted policy establishes a streamlined, inexpensive administrative dispute-resolution procedure intended only for the relatively narrow class of cases of “abusive registrations.” Thus, the fact that the policy’s administrative dispute-resolution procedure does not extend to cases where a registered domain name is subject to a legitimate dispute (and may ultimately be found to violate the challenger’s trademark) is a feature of the policy, not a flaw. The policy relegates all “legitimate” disputes—such as those where both disputants had longstanding trademark rights in the name when it was registered as a domain name—to the courts; only cases of abusive registrations are intended to be subject to the streamlined administrative dispute-resolution procedure.

66 Id.
Furthermore, although parallel legal proceedings are sometimes described as appeals of UDRP decisions,\(^6\) in fact a UDRP decision lacks formal legal status, unlike a court judgment or an arbitration award.\(^6\) A legal action that challenges a UDRP decision therefore does so only incidentally to the legal claims that the action involves, claims potentially involving trademark and unfair competition law, contract law, fraud, conversion, privacy and personality rights, free speech, due process, public policy, and other matters related to the parties’ overarching dispute.\(^6\) The scope of UDRP proceedings, on the other hand, is extremely narrow, encompassing only the three elements set forth in the policy (identicality/similarity to a trademark, lack of legitimate interests, and bad faith registration and use).\(^7\) While a UDRP panel also has discretion to consider other matters,\(^7\) it is unusual for panels to journey far beyond the UDRP and general principles of trademark law.\(^7\)

\(^6\) See, e.g., Jones, supra note 5.


\(^6\) See supra text accompanying note 25. UDRP panels also may address the separate issue of reverse domain name hijacking, see supra text accompanying note 34, although in practice this question arises in relatively few cases.

\(^6\) A panel may consider “any rules and principles of law that it deems applicable.” ICANN Rules, supra note 24, § 15(a).

Even the trademark questions that arise in UDRP proceedings tend to differ from those at issue in litigation. Under the UDRP, for example, a panel is to consider whether the disputed domain name is "identical or confusingly similar" to the complainant's trademark.\textsuperscript{73} Trademark law, on the other hand, imposes liability for the commercial use of a copy or imitation of a registered trademark if the use "is likely to cause confusion.\textsuperscript{74} While both standards depend upon the likelihood of confusion, the UDRP makes this determination merely by comparing the domain name with the trademark (or its textual component, in the case of a design mark\textsuperscript{75}), whereas the Lanham Act considers the strength of the mark, the manner in which the mark and the domain name are used, and many other contextual facts.\textsuperscript{76} Perhaps because of this divergence, UDRP panels tend to favor trademark owners over registrants of domain names that append "sucks" to a trademark,\textsuperscript{77} even though courts have rejected parallel

| law | trademark rights in her name), at http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0235.html. This approach is consistent with and indeed dictated by the UDRP (though some panels may have stretched the concept of trademark rights rather far in order to compensate for the lack of protection for personal and geographic names), but it makes UDRP decisions particularly unhelpful to courts. \textsuperscript{73} See ICANN Policy, supra note 2, ¶ 4(a)(i). | | Trademark law, on the other hand, imposes liability for the commercial use of a copy or imitation of a registered trademark if the use "is likely to cause confusion." While both standards depend upon the likelihood of confusion, the UDRP makes this determination merely by comparing the domain name with the trademark (or its textual component, in the case of a design mark), whereas the Lanham Act considers the strength of the mark, the manner in which the mark and the domain name are used, and many other contextual facts. Perhaps because of this divergence, UDRP panels tend to favor trademark owners over registrants of domain names that append "sucks" to a trademark, even though courts have rejected parallel |
claims based upon trademark law. A similar incongruity exists in the case of tarnishment claims. Under the Lanham Act, as amended


See Lucent Techs., Inc. v. Lucentstucks.com, 95 F. Supp. 2d 528, 535 (E.D. Va. 2000) (noting in dictum that an average consumer would not confuse “lucentstucks.com" with Lucent trademarks, negating likelihood of confusion element of trademark claims); Bally Total Fitness
by the Federal Trademark Dilution Act of 1995, a tarnishment claim requires proof that the trademark is famous, but under the UDRP, it appears that any trademark can be the subject of tarnishment.

The Anticybersquatting Consumer Protection Act of 1999 (ACPA), a set of amendments to the Lanham Act, represents the closest counterpart to the UDRP in U.S. trademark law, and courts and UDRP panels alike may well be tempted to rely upon findings made under the corresponding regime. Nevertheless, there are significant differences even between the ACPA and the UDRP. For example, the ACPA covers only "famous" and "distinctive" marks, while the UDRP applies to any trademark. The ACPA applies to registration, trafficking, or use of a domain name, while the UDRP requires both registration and use. Furthermore, the ACPA requires a "bad faith intent to profit," while the UDRP merely requires bad faith.

Finally, a key substantive difference between the UDRP and legal proceedings lies in the fact that the UDRP is inherently international, or perhaps "anational"—UDRP panels base their


Under paragraph 4(c)(iii) of the UDRP, a domain name registrant possesses legitimate interests in a domain name if the registrant is "making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue." ICANN Policy, supra note 2, ¶4(c)(iii); see also ICANN, Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy, supra note 65, ¶ 4.6 & n.2.

See generally Osborn, supra note 40.


See ICANN Policy, supra note 2, ¶ 4(a)(i) ("[A] trademark or service mark in which the complainant has rights . . .").


See ICANN Policy, supra note 2, ¶ 4(a)(iii).


See ICANN Policy, supra note 2, ¶¶ 4(a)(iii), 4(b).

See Laurence R. Helfer, International Dispute Settlement at the Trademark-Domain
decisions on the policy itself, occasionally exercising their discretion to consider legal rules of one or more jurisdictions that seem relevant—while courts apply national or local laws, using formalized choice of law rules to determine what law to apply.\footnote{90}

V. PROCEDURAL CONCERNS

While the substantive differences between UDRP and legal proceedings are far from trivial, the strongest arguments against a deferential standard of review are procedural in nature. De novo judicial review is consistent with parties' expectations and the intent of the UDRP, it promotes reliability and validity of outcomes, and most important, it is essential to ensure fairness and due process.

The UDRP itself clearly contemplates that parties may initiate parallel legal proceedings,\footnote{91} as the Weber and Parisi courts noted,\footnote{92} and specifically provides that an order is not to be implemented if either party files a lawsuit challenging the order.\footnote{93} Just as a provision for expanded judicial review may encourage parties to agree to arbitration in other contexts,\footnote{94} the availability of parallel legal proceedings may encourage domain name disputants to submit to the UDRP process.\footnote{95} Furthermore, the case for reviewability is much stronger for UDRP decisions than it is for conventional arbitration awards. Unlike conventional arbitration, the UDRP is not meant to replace litigation, but merely to provide an additional forum for


\footnote{90} See Elizabeth G. Thomburg, \textit{Going Private: Technology, Due Process, and Internet Dispute Resolution}, 34 \textit{U.C. Davis L. Rev.} 151, 214 (2000) (noting that UDRP panels are developing a "law of ICANN separate and apart from the law of any country or from any international treaty.").

\footnote{91} See, \textit{e.g.}, \textit{ICANN Policy}, supra note 2, \S\ S 4(k); \textit{ICANN Rules}, supra note 24, \S\S 3(xiii), 18.


\footnote{93} See, \textit{e.g.}, \textit{ICANN Policy}, supra note 2, \S\ 4(k); see also supra text accompanying note 36.

\footnote{94} See supra text accompanying note 19.

\footnote{95} Trademark owners are not bound to use the UDRP process, but they are much more likely to do so than they would be if they were required to waive legal rights as a condition of filing a UDRP complaint. Similarly, although domain name registrants are bound by contract to participate in UDRP proceedings, the availability of effective judicial review reduces their incentive to attempt to pre-empt UDRP proceedings by filing suit, as did the domain name registrant in Weber.
dispute resolution, with an explicit right of appeal to the courts. To deny parties the right to effective judicial review would frustrate their intentions and deprive them of an essential benefit of their contract.

The UDRP by design is a streamlined method of resolving disputes quickly and inexpensively. This streamlining, though, comes at a cost: at least some degree of reliability and validity is sacrificed. The parallel legal proceedings contemplated by the UDRP are designed to mitigate the effects of this trade-off, but that purpose would be defeated if courts were to defer to the conclusions of UDRP panels. Furthermore, given the constraints of the UDRP process, a court is in a much better position than a UDRP panel to weigh evidence and assess credibility, so judicial deference makes little sense even on pure questions of fact.

Another procedural concern relates to the precedential role of UDRP decisions. To some extent it seems desirable for panels to follow principles articulated in prior decisions: at the very least, this practice tends to promote consistency and predictability, while decreasing incentives for forum shopping. On the other hand, many of the decisions being relied upon as precedent involve controversial rulings by sole panelists in default cases, often reaching results that are inconsistent with other decisions or with the UDRP itself.

---

96 See Osborn, supra note 40, at 237–42 (describing UDRP proceedings and ACPA litigation as complementary tactics for trademark owners).
97 See Helfer, supra note 89 (manuscript at 4) (describing UDRP as “simple, cheap, quick, and easily accessible by parties located anywhere in the world”); see supra text accompanying notes 39–40.
98 See, e.g., Thomburg, supra note 90, at 205 (noting that in disputed cases, “[T]he lack of a hearing can distort the fact finding process.”); cf. Hochman, supra note 8, at 106 (noting that some parties intentionally forego the higher quality of the judicial system in order to avoid delay and expense).
99 See Froomkin, supra note 20, at 100 (noting that “a summary procedure, in which each side has only one submission, and in which there is neither testimony, cross-examination, briefing, nor argument cannot by itself hope to make reliable credibility determinations or sort out complex competing claims.”).
100 See, e.g., Thomburg, supra note 90, at 213–14 (noting that panelists have begun to cite to prior UDRP decisions).
101 See Carl Oppedahl, Considerations for Innocent Domain Name Owners, Oppedahl & Larson LLP Patent Law Web Server, at http://www.patents.com/dno.htm (last visited Nov. 15, 2001) (noting that, “Most of the ‘howler’ UDRP decisions . . . were from one-person panels.”). The “inaction doctrine” that enables a panel to find bad faith use of a domain name in “passive warehousing” cases (i.e., where the registrant’s only overt act is the initial registration of the domain name) was first applied in Telstra Corp. v. Nuclear Marshmallows, No. D2000-0003 (WIPO Feb. 18, 2000), at http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0003.html. See also White, supra note 41, at 242. The domain name registrant in Telstra did not submit a response, and the decision was rendered by a sole panelist. Telstra has been cited for this proposition in numerous subsequent UDRP decisions. See ICANN, Search Decisions in
Absent an appellate forum with the ability to reconcile inconsistent decisions, this situation likely will persist, and reliance upon UDRP decisions as precedent will remain problematic.\(^\text{102}\)

Much of the criticism of the UDRP process includes claims of bias on the part of panelists or dispute resolution service providers.\(^\text{103}\) Courts obviously should disregard findings made by biased decisionmakers, but the extent of bias in UDRP process may well be exaggerated. However, it is clear that panelists’ qualifications can affect UDRP decisions, a phenomenon that is evident from a comparison of decisions authored by the National Arbitration Forum’s retired judges, the World Intellectual Property Organization’s trademark attorneys, and eResolution’s law professors.\(^\text{104}\) Courts can address these issues, while gaining public confidence and ensuring the integrity of their own decisions, simply by applying de novo review to rulings of UDRP panels. Effective judicial review also would render panelists more accountable, serving as a check on any potential bias.\(^\text{105}\)


\(^{103}\) See, e.g., Mueller, supra note 24, at 26; Froomkin, supra note 20, at 98, 136; Livingston, supra note 44; Brian McWilliams, Was Madonna.com Decision Rigged?, InternetNews.com, Oct. 17, 2000, at http://www.internetnews.com/business/article/0,3_487271,00.html.

\(^{104}\) This is, of course, somewhat of an overgeneralization, as are the accompanying descriptions of the providers’ prototypical panelists, but it is not entirely inaccurate. See Thornburg, supra note 90, at 209; see also supra notes 24 & 33.

\(^{105}\) See supra text accompanying notes 18–19.
Finally, though the UDRP was intended to balance the interests of trademark owners with those of domain name registrants, in practice it is quite unbalanced, and it fails to afford parties the due process protections they would have in a legal proceeding.\(^{106}\) UDRP proceedings are voluntary for trademark owners but mandatory for domain name registrants.\(^{107}\) (They are mandatory not because registrants have chosen to participate in mandatory dispute resolution, but rather by virtue of an adhesion contract: all ICANN-approved domain name registrars impose an identical requirement.\(^{108}\) The trademark owner selects the timing and the provider, and has a much greater influence than the domain name registrant over the selection of the panel as well.\(^{109}\) A losing trademark owner can seek a legal remedy at leisure, as an adverse award merely maintains the status quo. A losing domain name registrant, on the other hand, has only ten business days after the decision (and quite possibly less than two months after receiving the initial notice of the dispute) to prepare and file a lawsuit, possibly in a remote jurisdiction, in order to prevent the immediate loss of its domain name.\(^{110}\) The “parity of appeal”


\(^{107}\) See supra text accompanying note 37.

\(^{108}\) See supra text accompanying notes 17 & 23.

\(^{109}\) See Froomkin, supra note 20, at 98–99 & n.355. Professor Froomkin summarizes the due process problems faced by domain name registrants:

ICANN’s arbitration rules—which all ICANN approved arbitration providers are required to follow—do not require that respondents receive actual notice of a complaint. While a system that provides for substituted service is consistent with due process, minimal due process requires serious attempts to achieve actual notice before proceeding with the substitute. A related problem arises because the time allowed for a response is so short. In theory, both complainant and respondent each only get to file one set of papers with the arbitral tribunal. But the complainant gets to work on his pleading as long as he wishes, collect the relevant exhibits, and file when it suits him. The respondent has to answer in twenty days or essentially forfeit the case. What is more, the twenty-day clock to file a response starts ticking as soon as notice is mailed and e-mailed. Other than extraordinary cases, which are entirely at the discretion of the arbitrator, there is no procedure to provide extensions of time to a respondent who receives the notice late. While this schedule might be reasonable for business-to-business arbitration, it clearly is not reasonable in all situations; indeed, it is inconsistent with due process for a system in which many respondents will be ordinary people—people who take vacations without laptops or do not routinely read their e-mail. The opportunity to be heard is fundamental to due process. The UDRP does not ensure that basic right.

\(^{110}\) See id. at 137–38.
contemplated by the UDRP\textsuperscript{111} clearly does not exist in reality, but de novo review of UDRP decisions would help reduce the imbalance.

V. CONCLUSION

Judicial deference to UDRP panel decisions invites serious substantive and procedural objections. Even on mere factual determinations, where deference ordinarily seems most warranted, courts clearly are more capable of making accurate and informed findings than are UDRP panels, and justice demands that courts exercise independent judgment in such circumstances.

The UDRP process is novel, complex, and still relatively untested. Its very legitimacy (as well as the legitimacy of its architect, ICANN) is the subject of heated controversy.\textsuperscript{112} Even discounting such concerns, though, the availability of parallel litigation and effective judicial review is a critical element of the UDRP by its very design. De novo review is consistent with the purposes of the UDRP and is needed to ensure fairness and due process.

\textsuperscript{111} See ICANN, Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy, supra note 65, \S\S 4.7, 4.8; Parisi v. NetLearning, Inc., 139 F. Supp. 2d 745, 752 (E.D. Va. 2001) (citing the Second Staff Report).

\textsuperscript{112} See, e.g., Froomkin, supra note 20; Weinberg, supra note 20; Helfer, supra note 89.