

Resolving Domain Name-Trademark Disputes: A New System of Alternative Dispute Resolution Is Needed in Cyberspace

ROSANNE T. MITCHELL

I. INTRODUCTION

In May 1994 Roadrunner Computer Systems, Inc. (RCS) began providing e-mail and World Wide Web services to its customers using the domain name "roadrunner.com." In December 1995 a challenge to the use of the "roadrunner.com" domain name by RCS was lodged by Time-Warner Entertainment Company, L.P., which owned a trademark issued in August 1995 for the name "Road Runner," which it used with respect to toys it produced. The more than 500 users of the RCS e-mail and Internet services were faced with the potential loss of the domain name and significant inconvenience in having to change published e-mail and web addresses.¹

While disputes with consequences of this magnitude may not occur every day, trademark controversies over domain names have proliferated recently.² With ever-increasing numbers of businesses wishing not only to

¹ See Merged Complaint and Answer ¶¶ 14, 16, 20, 21, *Roadrunner Computer Systems, Inc. v. Network Solutions, Inc.*, No. 96-413-A (E.D. Va. 1996), available in *Merged Complaint and Answer* (visited Oct. 30, 1998) <<http://www.patents.com/nsimrg.sht>>. Network Solutions, Inc. (NSI) is one of a number of entities that comprises the InterNIC (Internet Network Information Center), which is the domain name registration authority for the ".com" name space. An NSI policy, which will be discussed in Part IV, *infra*, allows the company to revoke the right to use a registered domain name in certain circumstances.

NSI ultimately agreed not to interfere with RCS's use of "roadrunner.com" unless and until ordered by a court to do so. In light of this agreement, the case was dismissed as moot. See Stipulated Order, *Roadrunner Computer Systems, Inc. v. Network Solutions, Inc.*, No. 96-413-A (E.D. Va. 1996), available in *Stipulated Order* (visited Oct. 30, 1998) <<http://www.patents.com/nsistip.sht>> (the stipulated order was filed on May 21, 1996). Though this particular instance was worked out between the parties, there is no guarantee that parties in the future will be so cooperative.

² See, e.g., *Dow Jones & Co. v. WSJ Inc.*, No. 97-7690, 1998 WL 2370 (2d Cir. Jan. 6, 1998) (regarding defendant's registration of the domain name "wallstreetjournal.com"); *Green Products v. Independence Corn By-Products*, 992 F. Supp. 1070 (N.D. Iowa 1997) (ordering transfer of "greenproducts.com" to the plaintiff during pendency of litigation); *Academy of Motion Picture Arts & Sciences v. Network*

advertise and provide customer information and support on World Wide Web pages, but also to transact business via the Internet, concerns as to who has the right to use a particular domain name take on all new significance.

In the physical world, the same word can be trademarked with respect to different goods and services.³ For example, the word "Life" is trademarked with respect to *Life Magazine*, and also with respect to other items such as watches made by Citizen Watch Company and the breakfast cereal made by The Quaker Oats Company. In the virtual world, however,

Solutions, Inc., 989 F. Supp. 1276 (C.D. Cal. 1997) (denying request for an injunction of the use of "academyaward.com," "academy-awards.net," "academyawards.net," "theoscars.net," and "oscar.net"); Lockheed Martin Corp. v. Network Solutions, Inc., 985 F. Supp. 949 (C.D. Cal. 1997) (holding that as a mere registrar of the domain names "skunkworks.com" and "skunkwrks.com," NSI was not liable for infringement); Interstellar Starship Serv. Ltd. v. EPIX, Inc., 983 F. Supp. 1331 (D. Or. 1997) (finding no infringement by registrant of "epix.com" despite registrant's lack of a trademark for the term "epix"); Juno Online Services, L.P. v. Juno Lighting, Inc., 979 F. Supp. 684 (N.D. Ill. 1997) (dismissing action regarding "juno.com"); Teletech Customer Care Management (California), Inc. v. Tele-Tech Co., 977 F. Supp. 1407 (C.D. Cal. 1997) (granting preliminary injunction from use of "teletech.com"); Cardservice Int'l, Inc. v. McGee, 950 F. Supp. 737 (E.D. Va. 1997) (granting permanent injunction ordering transfer of "cardservice.com" and "csimall.com" to plaintiff); MTV Networks v. Curry, 867 F. Supp. 202 (S.D.N.Y. 1994) (regarding dispute over "mtv.com").

There are two types of marks to which this discussion pertains—trademarks and service marks. A trademark identifies goods produced by a particular manufacturer, *see* BLACK'S LAW DICTIONARY 1493 (6th ed. 1990), while a service mark identifies the services provided by an entity, *see id.* at 1369. For purposes of this Note, the term "trademark" includes "service mark."

³ *See* 15 U.S.C. § 1051(a)(1)(A) (1994).

[An application is to include] a statement to the effect that the person making the verification believes . . . that no other person, firm, corporation, or association, to the best of [the applicant's] knowledge and belief, has the right to use such mark in commerce . . . when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.

Id.; *see also* Pebble Beach Co. v. Tour 18 I, Ltd., 942 F. Supp. 1513, 1536–1537 (S.D. Tex. 1996) (noting that proof of registration of a mark "is *prima facie* evidence of the registrant's exclusive right to use the registered mark in commerce for the [goods or] services specified in the registration"); DONALD A. GREGORY ET AL., INTRODUCTION TO INTELLECTUAL PROPERTY LAW 82 (1994) (stating that "it is possible for different trademark owners to use the same or a similar trademark in connection with very different products").

there can be only one “life.com.”⁴ A trademark dispute over who has the right to the domain name “life.com”—Time, Inc. (the owner of the *Life Magazine* trademark), Citizen Watch Company, or The Quaker Oats Company—today could be brought in a court in the United States, with the application of U.S. trademark law to the dispute.⁵

Recent developments with respect to the Internet infrastructure may change the appropriateness of adjudication in any given nation or region, however. Over the course of the past several years, the International Ad Hoc Committee (IAHC) has discussed and proposed the addition of several new generic top level domains (gTLDs) (current examples of which include “.com,” “.net,” and “.edu”).⁶ The IAHC proposal would create up to

⁴ A domain name is merely a “human-friendly” mnemonic for an Internet Protocol (IP) address, which is completely numeric. It is the IP address that actually allows the connection between two computers to take place. Without the IP address, any communication would be lost for lack of a clear destination. For technological reasons, domain names must be unique. See PAUL ALBITZ & CRICKET LIU, *DNS AND BIND* 7–8 (2d ed. 1997).

⁵ All of the mentioned corporations are located in and do business in the United States. The InterNIC also is run by a U.S. corporation. See *supra* note 1. While a dispute between these parties clearly would fall within the jurisdiction of an United States court, there are other situations in which a foreign entity might register a domain name in the “.com” space, and the jurisdictional issues may be less clear. According to the InterNIC registration agreement, however, all domain name registrants consent to the jurisdiction of the U.S. District Court for the Eastern District of Virginia, Alexandria Division, or if the federal court has no jurisdiction, then to the Circuit Court of Fairfax County, Virginia. See Network Solutions, Inc., *Domain Name Registration Agreement, Version 4.0* ¶ P (visited Oct. 29, 1998) <ftp://rs.internic.net/templates/domain-template.txt>.

This example of real-life trademarks is used only as an illustration of the issues. “Life.com” currently is in use by Lifetime Software Technologies, Inc., and there is no indication that there have been disputes between any of these parties as to the domain name.

⁶ See International Ad Hoc Committee, *Final Report of the International Ad Hoc Committee: Recommendations for Administration and Management of gTLDs* § 3.1 (Feb. 4, 1997) <<http://www.iahc.org/draft-iahc-recommend-00.html>> [hereinafter *IAHC Final Report*]. The seven new top level domains proposed are: “.firm”; “.store”; “.web”; “.arts”; “.rec”; “.info”; and “.nom.” See *id.* The organization of the domain name system can be analogized to a tree. The gTLD is the trunk and a second-level domain name such as “life.com” would be a major branch. Third-level domain names such as “my.life.com” is a smaller, less inclusive branch still. Thus, each additional step away from the gTLD represents a narrower scope. For purposes of this article, the term “domain name” will refer to a second-level domain name.

twenty-eight registrars around the globe, each having the authority to register second-level domains in all the gTLDs.⁷ The U.S. Department of Commerce, through the National Telecommunications and Information Administration (NTIA), recently announced a similar plan that would allow both the introduction of additional gTLDs and the establishment of registrars around the globe.⁸

Under either the IAHC's or the NTIA's plan, the multiplicity of registrars around the world makes a court order prohibiting a party from registering or using a particular domain name an ineffective solution. The enjoined party could simply go to another registration authority in a country where the first court order would not have any binding effect and re-register the previously forbidden domain name. The challenging party would then be forced to protect its intellectual property rights by filing a series of lawsuits in countries around the world as the registrant moved from registrar to registrar.⁹ Recognizing the potential time and expense that the new system might impose, the IAHC drafted the second part of its proposal as a system for the resolution of trademark disputes over domain names. The system would be facilitated by the World Intellectual Property Organization (WIPO) Arbitration and Mediation Center.¹⁰ The NTIA, too,

"The International Ad Hoc Committee . . . was formed at the initiative of the Internet Society, and at the request of the Internet Assigned Numbers Authority." *Id.* § 1.

⁷ *See id.* §§ 2.2, 4.1.1.

⁸ *See* discussion *infra* Part IV.C. The NTIA's plan takes precedence over that of the IAHC due to the long-standing involvement of the U.S. government in the administration of the Internet.

⁹ *See* International Bureau, World Intellectual Property Organization, *Resolution of Intellectual Property Disputes Within the Context of the Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System (gTLD-MoU)* § II (May 16, 1997) <http://www.wipo.org/eng/internet/domains/tdn/cm/cm_i_3.htm> [hereinafter *Resolution of Intellectual Property Disputes*]. String suits might not always be necessary, however. If, for instance, a court ordered not only the suspension of the disputed domain name, but reassignment immediately to the challenger, the registrant could not authority-hop. On the other hand, it is distinctly possible that if the registrant actually has superior rights to the domain name, the challenger may be able to file a string of lawsuits just to make the registrant give up the domain name under economic pressures of defending the suit in a multiplicity of countries.

¹⁰ *See Memorandum of Understanding for the Internet Council of Registrars ("CORE-MoU")*, art. 7 § b (visited Oct. 29, 1998) <<http://www.gtld-mou.org/docs/core-mou.htm>> [hereinafter *CORE-MoU*].

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

has recognized at least some of the advantages alternative dispute resolution (ADR) procedures have to offer the new domain name registration process, and is seeking the guidance of the WIPO in developing an appropriate dispute resolution system.¹¹

This Note will first explain and then evaluate the International Ad Hoc Committee dispute resolution proposal, comparing it to both existing and proposed resolution procedures. This Note concludes that despite some weaknesses, the IAHC proposal is a well-considered policy that is capable of handling the possibly confusing intellectual property and jurisdictional issues that will result from the multiplication and globalization of registration authorities. Further, this Note argues that the alternative dispute resolution system should be adopted as it provides an optimum solution to problems existing in today's domain name arena.

II. STRUCTURE OF THE IAHC DISPUTE RESOLUTION PROPOSAL

The International Ad Hoc Committee, being aware that the globalization of generic top level domain registrars would not lend itself easily to national or regional intellectual property governance, included in its gTLD proposal a design for an alternative dispute resolution system.¹² The policy proposal grew out of a consensus that "intellectual property rights should be respected in the context of the Internet, but that disputes

The WIPO's predecessor, the BIRPI (translated into English as the United International Bureau for the Protection of Intellectual Property) was established in 1883. The WIPO superseded the BIRPI in 1970, and in 1974 was granted status as a specialized agency of the United Nations. See Arpad Bogsch, *Brief History of the First 25 Years of the World Intellectual Property Organization*, in *THE FIRST TWENTY-FIVE YEARS OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION: FROM 1967 TO 1992*, at 15, 21, 28 (1992). Its overall objective is to create "a situation in which the Member States, collectively and systematically, decide and control, or at least discuss, the development of international relations in the field of intellectual property." *Id.* at 26. The WIPO Arbitration and Mediation Center was opened in October 1994 to make alternative dispute resolution procedures available to private parties. It neither makes substantive rules nor has jurisdiction to settle disputes itself. See *An Open Letter from the World Intellectual Property Organization (WIPO) to the Internet Community Concerning Domain Name Dispute Resolution Procedures Under the gTLD-MoU* ¶¶ 3, 4, 5. (June 18, 1997) <<http://www.wipo.org/eng/internet/domains/openlet.htm>> [hereinafter *Open Letter*].

¹¹ The NTIA's perspectives on alternative dispute resolution will be explored more fully in Part IV.C, *infra*.

¹² See *Resolution of Intellectual Property Disputes*, *supra* note 9, § II.

should be dealt with in a way that is not disruptive to Internet activity.”¹³ Anyone who would register a domain name in one of the gTLDs would agree that any dispute over the domain name be determined by an Administrative Challenge Panel (ACP). It would also be agreed that as an alternative to the ACP procedure, a third-party challenger of the domain name could submit the dispute to on-line mediation according to the WIPO Mediation Rules, which could then be referred to binding arbitration if the dispute was not settled within a specified period of time.¹⁴

All three dispute resolution procedures would be facilitated by the World Intellectual Property Organization Arbitration and Mediation Center

¹³ *Id.*

¹⁴ See *CORE-MoU*, *supra* note 10, at art. 7 § b. This provision requires that the registrars include in their Registration Agreements the following:

(I) Applicant acknowledges that, by virtue of the provisions of the gTLD-MoU, any third party may challenge the assignment to or use by Applicant of the domain name before an Administrative Domain Name Challenge Panel (“ACP”) in accordance with the WIPO ACP Rules. Applicant further acknowledges that the decisions of an ACP may determine rights of Applicant and/or other parties with respect to the assignment, registration and use of a particular domain name, and agrees to be bound by the ACP decisions.

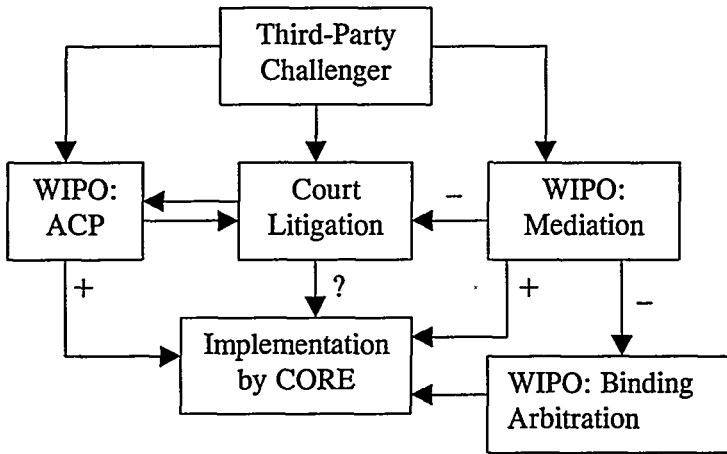
(II) Applicant agrees that any dispute, controversy or claim (“Claim”) between Applicant and a third party, arising out of or relating to this application for, and registration and use of, the domain name shall, upon the filing of a Request for Mediation by the third party with the WIPO Center, be submitted to on-line mediation in accordance with the WIPO On-Line Mediation Rules. Applicant further agrees that, to the extent (a) any such Claim has not been settled pursuant to such mediation within 30 days of the commencement of the mediation, or (b) before the expiration of such 30 day period, either party fails to participate or to continue to participate in the mediation, the Claim shall, upon the filing of a Request for Arbitration by the third party, be referred to and finally determined by on-line arbitration in accordance with the WIPO On-Line Expedited Arbitration Rules. Such arbitration procedure shall not be implemented if Applicant declines mandatory submission to arbitration by checking the box below. The language to be used in the mediation or arbitration shall be English, unless the parties agree otherwise. Whether or not the parties decide that an in-person hearing is necessary, the place of arbitration shall be deemed to be, unless the parties agree otherwise, either the location of Applicant as indicated in the Registration Agreement or the location of the Registrar, at the option of the third party.

Id.

The CORE-MoU is another in a series of documents related to the IAHC gTLD proposal. It sets forth the requirements for the registrars of the new gTLDs worldwide.

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

and would be conducted on-line.¹⁵ The basic structure of the proposed dispute resolution system is best represented by the following chart.¹⁶



Each of the three procedures will be discussed at greater length in the following sections of this Note.

A. *On-Line Mediation*

In domain name-trademark disputes that go to mediation, all procedures would be conducted in English, unless the parties agree otherwise,¹⁷ and mediators would be chosen by the WIPO Arbitration and Mediation Center unless a mediator was chosen by the parties (or a procedure selected by the parties for choosing the mediator).¹⁸ The active role of the WIPO

¹⁵ See *IAHC Final Report*, *supra* note 6, § 7.1.

¹⁶ See Albert Tramposch, *World Intellectual Property Organization, Domain Name Dispute Resolution under the gTLD-MoU* (visited Oct. 30, 1997) <<http://www.gtld-mou.org/presentations/at-nov25/sld011.htm>>. Mr. Tramposch was a WIPO appointee to the Policy Oversight Committee, which was formed to develop the substantive rules that are to govern the ACP procedure.

¹⁷ See *CORE-MoU*, *supra* note 10, at art. 7 § b.

¹⁸ See WIPO Arbitration and Mediation Center, *WIPO Mediation Rules* art. 6, reprinted in *World Intellectual Property Organization: Mediation, Arbitration, and Expedited Arbitration Rules*, 34 I.L.M. 559, 563 (1995) [hereinafter *Mediation Rules*].

Arbitration and Mediation Center in a mediation would be limited to choosing the mediator and providing the on-line services.¹⁹

The actual on-line mediation procedure would take place under the procedural guidelines of the WIPO's existing Mediation Rules.²⁰ Under these rules, the domain name registrant and the challenger each would have the opportunity to be represented or assisted by a person of their choosing during the course of the mediation.²¹ Private discussions between the mediator and an individual party would be allowed, and all communications during the discussions kept confidential, unless disclosure was expressly authorized by the party giving the information.²² The parties could supply whatever evidence they viewed as necessary for consideration during the mediation process, and the mediator could "suggest that a party provide such additional information or materials as the mediator deems useful."²³

In addition to the existing WIPO Mediation Rules, the domain name dispute resolution procedure incorporates a provision that would allow the third-party challenger to request that the mediation be converted to binding arbitration if the mediation was not successfully completed within thirty days.²⁴

¹⁹ See *Open Letter*, *supra* note 10, ¶ 13.

The WIPO Arbitration and Mediation Center maintains lists of persons who are specially qualified to act as mediators and arbitrators . . . [T]he lists contain in respect of each such person information on the person's experience and training in mediation and arbitration, as well as on the person's specialized expertise in one or several of the various fields of intellectual property.

WIPO Arbitration and Mediation Center, *The Center and Its Services in More Detail* § VIII (visited Oct. 29, 1998) <<http://www.wipo.org/eng/arbit/services/services.htm>> .

²⁰ See *IAHC Final Report*, *supra* note 6, § 7.1.1.

²¹ See *Mediation Rules*, *supra* note 16, at arts. 6, 8. Those who represent or assist the parties would not be required to be attorneys. The rules state only that the "parties may be represented or assisted" and that the names and addresses of these representatives or assistants "be communicated . . . to the other party, the mediator and the Center." *Id.* at art. 8.

²² See *id.* at art. 11.

²³ *Id.* at art. 12.

²⁴ See *CORE-MoU*, *supra* note 10, at art. 7 § b; *Open Letter*, *supra* note 10, ¶ 12.

B. *On-Line Expedited Arbitration*

The IAHC proposal allows the domain name registrant to avoid the possibility of mandatory submission to arbitration by checking a box during the registration process.²⁵ However, if the box remains unchecked at the time of registration, the third-party challenger may convert a mediation procedure to binding arbitration, as described above. As with mediation, arbitration would be conducted according to existing rules of the WIPO.²⁶ The Expedited Arbitration Rules provide for a sole arbitrator, to be appointed jointly by the parties or by the WIPO Arbitration and Mediation Center if no appointment is made within fifteen days of the commencement of the arbitration.²⁷

Provisions are made for the exchange between the parties of a formal request for arbitration by the claimant and an answer and defense to the claim by the respondent.²⁸ If a hearing is held in the matter, it must take place within thirty days of receipt by the claimant of respondent's answer and statement of defense,²⁹ and whether conducted in person or on-line, is deemed to have taken place at "either the location of Applicant as indicated in the Registration Agreement or the location of the Registrar, at the option of the third party."³⁰ Unlike mediation, arbitration would require the application of national or regional law, which would be chosen in accordance with the choice of law provision in Article 59 of the Arbitration Rules:

(a) The Tribunal shall decide the substance of the dispute in accordance with the law or rules of law chosen by the parties. . . . Failing a choice by the parties, the Tribunal shall apply the law or rules of law that it determines to be appropriate. In all cases, the Tribunal shall decide having due regard to the terms of any relevant contract and taking into

²⁵ See *CORE-MoU*, *supra* note 10, at art. 7 § b.

²⁶ See *id.*

²⁷ See WIPO Arbitration and Mediation Center, *WIPO Expedited Arbitration Rules List of Modifications* ¶ 7, reprinted in World Intellectual Property Organization: Mediation, Arbitration, and Expedited Arbitration Rules, 34 I.L.M. 559, 587 (1995) [hereinafter *Expedited Arbitration Rules*].

²⁸ See WIPO Arbitration and Mediation Center, *WIPO Arbitration Rules* arts. 6–12, reprinted in World Intellectual Property Organization: Mediation, Arbitration, and Expedited Arbitration Rules, 34 I.L.M. 559, 569 (1995) [hereinafter *Standard Arbitration Rules*]; *Expedited Arbitration Rules*, *supra* note 27, at arts. 11, 12.

²⁹ See *Expedited Arbitration Rules*, *supra* note 27, ¶ 10.

³⁰ *CORE-MoU*, *supra* note 10, at art. 7 § b.

account trade usages. The Tribunal may decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorized it to do so.

(b) The law applicable to the arbitration shall be the arbitration law of the place of arbitration, unless the parties have expressly agreed on the application of another arbitration law and such agreement is permitted by the law of the place of arbitration.³¹

As with mediation proceedings, the arbitration will be conducted in English,³² and the parties to an arbitration under the Expedited Arbitration Rules are entitled to be represented or assisted by persons of their choice.³³ The arbitration proceedings should be closed within three months of receipt of the statement of defense, and the final award issued within one month of the close of the arbitration.³⁴

C. Administrative Challenge Panels

The third-party challenger may elect to pursue resolution of the dispute via an Administrative Challenge Panel, rather than pursuing mediation and perhaps ultimately binding arbitration. The ACP, a creation of the International Ad Hoc Committee, adds a new option to the traditional alternative dispute resolution arena. As with mediation and arbitration, however, ACPs would be facilitated by the WIPO and conducted in accordance with procedural rules drafted by the WIPO, which are modeled after existing WIPO arbitration rules.³⁵ The applicable substantive rules are those drafted by the Policy Oversight Committee (POC).³⁶

³¹ *Standard Arbitration Rules*, *supra* note 28, at art. 59.

³² *See id.*

³³ *See id.* at art. 13.

³⁴ *See Expedited Arbitration Rules*, *supra* note 27, ¶ 13.

³⁵ *See Resolution of Intellectual Property Disputes*, *supra* note 9, § IV.

³⁶ *See id.* The POC is a creation of the International Ad Hoc Committee, formed in order to “conduct oversight of CORE and CORE-gTLDs and to set policies for CORE and its Registrars consistent with [the gTLD-MoU], to be comprised of individuals and experts who are recognized as collectively knowledgeable and expert in the related issues in order to provide the necessary policy oversight functions.” International Ad Hoc Committee, *Establishment of a Memorandum of Understanding on the Generic Top Level Domain Name Space of the Internet Domain Name System (gTLD-MoU)* § 6(a) (Feb. 28, 1997) <<http://www.iahc.org/gTLD-MoU.html>> [hereinafter *gTLD-MoU*].

1. *ACP Procedural Rules*

As in the expedited arbitration procedures, the panel will consist of only one member; however, the parties may agree to have three members on the panel.³⁷ Where there are to be three members, the WIPO Arbitration and Mediation Center will appoint two of them directly.³⁸ The remaining member, and all sole member panels, are selected by the transmission of an identical list of at least three candidates by the Center to each of the parties. The parties may delete any candidates whom they reject and must number the remaining candidates in order of preference. Return transmission of the lists must occur within seven days of receipt by the parties, and the Center will then select the member “taking into account the preferences and objections expressed by the Parties.”³⁹ When there is no person who is acceptable to both parties, the Center may appoint the member.⁴⁰ WIPO staff are prohibited from being members of any panel.⁴¹

There are a number of similarities between the Administrative Challenge Panel process and the mediation and arbitration options. For instance, the parties may be represented or assisted during the proceedings by persons of their choosing;⁴² the language of the proceeding is to be English, unless the parties otherwise agree;⁴³ there are provisions for the exchange of a statement of claim and a statement of defense;⁴⁴ and further evidence may be provided to the panel (or requested by the panel) during the course of the proceedings.⁴⁵ As with mediation, there is no preclusion of subsequent litigation if the results of the ACP proceeding are not acceptable to one of the parties.⁴⁶ Finally, the emphasis on speedy

³⁷ See *WIPO Rules for Administrative Challenge Panel Procedures Concerning Internet Domain Names* art. 17 (visited Oct. 29, 1998) <<http://www.wipo.org/eng/arbit/acprules.htm>> [hereinafter *WIPO ACP Rules*].

³⁸ See *id.* at art. 18(c).

³⁹ *Id.* at art. 18(d).

⁴⁰ See *id.*

⁴¹ See *gTLD-MoU*, *supra* note 36, § 8(b).

⁴² See *WIPO ACP Rules*, *supra* note 37, at art. 4.

⁴³ See *id.* at art. 40.

⁴⁴ See *id.* at arts. 41, 42.

⁴⁵ See *id.* at art. 47.

⁴⁶ See *gTLD-MoU*, *supra* note 36, § 8(c); Policy Oversight Committee, (*Third Revised Draft*) *Substantive Guidelines Concerning Administrative Domain Name Challenge Panels* ¶ 5 (Jan. 16, 1998) <<http://www.gtld-mou.org/docs/tracps.htm>> [hereinafter *ACP Substantive Guidelines*] (noting that “[a]ny dispute that has been

resolution of the dispute found with both the mediation and arbitration proceedings is also evident in the ACP structure. ACP proceedings should “be declared closed within not more than 30 days after either the delivery of the Statement of Defense or the establishment of the Panel, whichever event occurs later. The final determination should, wherever reasonably possible, be made within 15 days after the closure of the proceedings.”⁴⁷

However, administrative challenge panels differ significantly in other ways from the mediation and arbitration proceedings available to the third-party challenger. The relatively public nature of the ACP proceedings is perhaps the most noticeable difference. Upon a request for submission of a dispute to an ACP, the WIPO Arbitration and Mediation Center will assign the matter a case reference number and will post a copy of the request on its web site.⁴⁸ Moreover, within ten days of this posting, any person not a party to the proceeding may submit a request to participate, which too will be posted on the web site.⁴⁹ Though any hearings—which include physical meetings, telephone or video conferences, and the “simultaneous, authenticated exchange of electronic communications on the same channel”—are to be conducted in private unless otherwise agreed by the parties,⁵⁰ any determination made by an ACP will be posted on the Center’s web site.⁵¹

A second significant difference between ACPs and the mediation and arbitration services available is a loose form of *stare decisis* within the ACP system. “In all cases, the Panel shall decide having due regard to the determinations made by other Panels under these Rules.”⁵² Furthermore, an appeals system has been established whereby the parties have thirty days from receipt of the determination to initiate an appeal, which will be heard by a panel of three members.⁵³

Finally, the ACP is to apportion the costs of the proceedings between the participating parties “in the light of all the circumstances and the outcome of the proceedings.”⁵⁴ If the circumstances and outcome of the

submitted to an ACP may be brought, at any time before, during or after the ACP procedure, to a court or such other procedures”).

⁴⁷ *WIPO ACP Rules*, *supra* note 37, at art. 55.

⁴⁸ *See id.* at art. 8.

⁴⁹ *See id.* at art. 12.

⁵⁰ *Id.* at art. 48.

⁵¹ *See id.* at art. 54.

⁵² *Id.* at art. 52.

⁵³ *See id.* at arts. 59, 61.

⁵⁴ *Id.* at art. 67.

case warrant, and subject to any agreement otherwise by the parties, a challenge panel may also order a party to pay all or part of the costs of the other party incurred in presenting its case.⁵⁵

2. ACP Substantive Rules

The most recent draft of the substantive guidelines sets a time limit for consideration as a preliminary requirement. Under the Rules, an administrative challenge panel is prohibited from hearing any claim submitted to the ACP more than three years after the domain name registration or prior ACP action to which the challenge pertains.⁵⁶ Furthermore, the guidelines recognize not only formal, registered intellectual property rights, but also set forth factors that would “establish conclusively the effective equivalent of an intellectual property right.”⁵⁷

For claims that fall within the time limit, however, there are the following five remedies that may be sought: (1) transfer of the domain name from the registrant to the challenger; (2) exclusion of the domain name from specified generic top-level domains; (3) exclusion of the domain name from all gTLDs; (4) partial or complete cancellation of a prior exclusion by an ACP; and (5) provisional suspension of the domain name, if the claim is filed within thirty days of publication of the registration.⁵⁸ Any request for provisional suspension will be submitted to an emergency ACP, which will make the determination within four days as to whether the domain name should be suspended for the duration of the ACP proceedings, and whose determination will be subject to reconsideration at any time during the proceedings.⁵⁹ One may request exclusion with respect to an existing domain name, or may pro-actively request that the domain name not be allowed registration.⁶⁰

An ACP’s determination as to an existing domain name is to be based upon whether the domain name is “identical or confusingly similar” to the subject of the asserted intellectual property right (referred to as an

⁵⁵ See *id.* at art. 68.

⁵⁶ See *ACP Substantive Guidelines*, *supra* note 46, ¶ 15. Prior versions of the substantive guidelines, drafted by the Interim Policy Oversight Committee (iPOC), are dated May 23, 1997, and October 2, 1997, and are still available at <<http://www.gtld-mou.org/docs>>.

⁵⁷ *ACP Substantive Guidelines*, *supra* note 46, at Annex B.

⁵⁸ See *id.* ¶ 7.

⁵⁹ See *id.* ¶¶ 37, 39.

⁶⁰ See *id.* ¶¶ 9, 10.

alphanumeric string).⁶¹ The factors used to make that determination would include the following: whether the domain name is identical “character-by-character” to the alphanumeric string; would be identical if punctuation were ignored; contains only minor changes to the alphanumeric string, such as misspelling or homonyms; is a translation or transliteration of the alphanumeric string; or is clearly misleading, such as “‘foryou.gTLD’ versus ‘4u.gTLD.’”⁶²

The ACP can make a determination in favor of a party only when that party’s “rights and interests are found to outweigh clearly those of the other [p]arty” or when the other party has “manifestly acted in bad faith.”⁶³ If the ACP finds that these elements do not exist, it must determine that the claim is not appropriate for ACP procedures.⁶⁴ The determination is to take into account the intellectual property rights of both the claimant and the respondent with respect to geographical area, duration of the right, the goods or services to which the right relates and the uniqueness of the alphanumeric string, and the use by the respondent (the domain name registrant) of the domain name, among other factors.⁶⁵

Bad faith may be indicated by the registration of a domain name incorporating a competitor’s trademark, the submission of false or misleading information on the domain name registration application, an intent to disrupt the registrant’s Internet activities without just cause, the submission of repeated claims without any change in circumstances, and the registrant’s obtaining of an intellectual property right to the alphanumeric string when the registrant uses neither the domain name nor the intellectual property right.⁶⁶

The determination of any appeal is to be based on whether the ACP “made an obvious and material mistake of fact or was manifestly unreasonable.”⁶⁷

⁶¹ *Id.* ¶ 23.

⁶² *Id.* at Annex C.

⁶³ *Id.* ¶ 24.

⁶⁴ *See id.* ¶ 25.

⁶⁵ *See id.* ¶¶ 27–29.

⁶⁶ *See id.* ¶¶ 31–32.

⁶⁷ *Id.* ¶ 41.

III. ADVANTAGES AND DISADVANTAGES TO THE IAHC DISPUTE
RESOLUTION PROPOSAL

With the globalization of domain name registrars, a system of alternative dispute resolution is vital to the smooth operation of the Internet. Currently there is no truly international intellectual property law. As a consequence, the possibility that an Italian company could register a domain name with a registration authority located in South Africa, which domain name happens to be an alphanumeric string that is trademarked by a Brazilian corporation, raises a host of complicated issues with respect to litigation of the matter, including but not limited to jurisdiction and applicable intellectual property law. While it is possible for similar multinational disputes to arise in the physical world today, the dramatic increase in the number of such disputes will be unavoidable when the gTLD-MoU (or the NTIA substitute) finally takes effect. Without an ADR system and a mechanism to enforce decisions regardless of the location of the registration authority, the multiple authority system would be left in chaos and would be completely ineffectual.

One of the primary advantages to an alternative dispute resolution system such as the one the IAHC has proposed is that it eliminates many of the uncertainties inherent in trying to determine which national or regional forum is the most appropriate for litigation. In fact, “[j]urisdictional problems can be so difficult to resolve that ‘in international cases, where jurisdictional problems are bound to arise in the event of dispute, the practice of incorporating arbitration clauses into contracts is becoming almost universal.’”⁶⁸

Furthermore, alternative dispute resolution dramatically decreases the costs that would be associated with litigation. ADR procedures in general provide an escape from backlogged judicial systems, allowing the matter to be worked out promptly rather than waiting for court dates.⁶⁹ In particular,

⁶⁸ Julia A. Martin, *Arbitrating in the Alps Rather than Litigating in Los Angeles: The Advantages of International Intellectual Property-Specific Alternative Dispute Resolution*, 49 STAN. L. REV. 917, 930 (1997) (quoting The Hon. Mr. Justice Kerr, *International Arbitration v. Litigation*, 1980 J. BUS. L. 164, 164); see also David W. Maher, *Trademark Law on the Internet—Will It Scale? The Challenge to Develop International Trademark Law*, 16 J. MARSHALL J. COMPUTER & INFO. L. 3, 11–12 (1997) (noting that the expense may be prohibitive for a foreign company to file a lawsuit in a court having jurisdiction over a U.S. company which is using as its domain name the trademark of the foreign company).

⁶⁹ See Martin, *supra* note 68, at 926.

the IAHC proposal, by providing the opportunity of conversion to arbitration if a mediation stretches to thirty days, by placing a three-month time limit on arbitration, and by imposing a thirty-day limit on ACP proceedings, further reduces the time it takes to resolve the trademark-domain name dispute. Due to the decreased length of time required for resolution, there is a corresponding decrease in the amount of attorney fees required, reducing the expense associated with resolving an intellectual property dispute.

Additional abatement of a controversy's expense occurs through the elimination of a need for local counsel in a distant state or foreign country. Because mediation, arbitration, and Administrative Challenge Panel proceedings would be conducted on-line, there is no need for a party to engage additional attorneys in the forum state merely so that the party can be represented in the dispute. Moreover, on-line proceedings do away with travel and lodging expenses. Parties can be represented in truly international disputes without their attorneys ever leaving the office.

Another general benefit of alternative dispute resolution with respect to intellectual property issues is the availability of technical expertise. Employing those with an understanding not only of the legal principles involved, but also of the technology involved, eliminates the need for complicated expert testimony that would only prove to be confusing to lay judges or juries and improves the quality of judgments while reducing the amount of time required for resolution of the dispute.⁷⁰

While potential drawbacks of ADR procedures include greater uncertainty as to the admissibility and weight of evidence as a result of the flexibility built into the procedures, qualified arbitrators (and mediators and ACP panelists) will be able to avoid "evidentiary free-for-all[s]."⁷¹ The time limits imposed on all three portions of the IAHC proposal and the ACP appeals process should also serve to stem the tide of evidence.

Some U.S. courts have stretched trademark dilution law in domain name-trademark disputes to suggest broad-based liability.⁷² In *Intermatic, Inc. v. Toeppen*⁷³ and *Panavision International L.P. v. Toeppen*,⁷⁴ the

⁷⁰ See *id.* at 925-926.

⁷¹ *Id.* at 927.

⁷² See Fred M. Greguras, *1997 Update: International Legal Protection for Software*, in 1997 UPDATE: INTERNATIONAL LEGAL PROTECTION FOR SOFTWARE 855, 868 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 479, 1997).

⁷³ 947 F. Supp. 1227 (N.D. Ill. 1996).

defendant was sued as a result of his “cybersquatting”—his registration of domain names for re-sale at a much higher price than the InterNIC registration fee. In both cases, “the courts found dilution based solely on the defendant’s having registered the domain name.”⁷⁵ While arbitration under the IAHC proposal may leave some room for continued stretching of existing trademark laws, for the most part the need to stretch the law would be eliminated by mediation procedures and by the ACP substantive rules, which provide that trafficking alone would constitute sufficient grounds for a determination in favor of the challenging party.⁷⁶

Despite these wide-ranging benefits of adopting an alternative dispute resolution system in general and the IAHC proposal in particular, there are a number of shortcomings that should not go unnoticed. A fundamental objection to the proposal is that trademark law should not apply to domain names at all.⁷⁷ This position appears to be based on the fact that domain names were never meant to have any relationship to trademarks.⁷⁸

However, while it may be true that the Internet was not designed with the application of trademark law in mind, the reality is that the Internet has become not only a way of transacting business in the modern world, but also the basis of an entire industry. The businesses that transact over the Internet and that are based on the spread of Internet usage clearly have an interest in protecting their intellectual property rights in this medium. Were intellectual property rights to go unprotected, conduct like that of The Princeton Review, for instance, would go unchecked. The Princeton

⁷⁴ 945 F. Supp. 1296 (C.D. Cal. 1996), *aff’d* 141 F.3d 1316 (9th Cir. 1998). In both cases, the defendant had registered the domain name in question to “warehouse” it for later sale (also known as “cybersquatting” or “trafficking”). See *Panavision*, 945 F. Supp. at 1298; see also *Intermatic*, 947 F. Supp. at 1230, 1233 (noting that the defendant “is what is commonly referred to as a cyber-squatter”); *ACP Substantive Guidelines*, *supra* note 46, ¶ 24.

⁷⁵ Greguras, *supra* note 72, at 868.

⁷⁶ See *ACP Substantive Guidelines*, *supra* note 46, ¶ 24.

⁷⁷ See *Open Letter*, *supra* note 10, ¶ 27 (indicating that during the period of public discussion regarding the IAHC proposal, a number of comments were made that trademark law should not apply to domain names).

⁷⁸ See Jon Postel, *New Registries and the Delegation of International Top Level Domains* 21 (visited Oct. 29, 1998) <ftp://isi.edu/in-notes/draft-postel-iana-itld-admin-02.txt> (“The Domain Name System was created to simply name computers attached to the Internet. There was no intention that domain names identify products or services in any way, or that domain names have any relationship to trademarks.”). Dr. Postel, of the Internet Assigned Numbers Authority, while noting this original intent, called for the establishment of the International Ad Hoc Committee in this draft memorandum.

Review registered “kaplan.com”—Stanley Kaplan Education Center being its main competitor—and used a web site at the location to compare the review courses of the two competitors.⁷⁹

A second criticism leveled against the IAHC proposal is that it creates second-tier top-level domains. In other words, it is alleged that registrants would continue to opt for the “.com” TLD rather than submit to the alternative dispute resolution procedures provided for by the gTLD registration agreement, thus defeating the International Ad Hoc Committee’s goal of fostering competition and greater access.⁸⁰ The IAHC proposal does not, however, prohibit a party from resorting to national or regional courts (though it does not bind each registration authority to implement court orders).⁸¹ Thus, the number of options available to domain name registrants is actually increased by the proposal. It is therefore unclear why a registrant would opt for the “.com” domain name solely on this ground. Any registrant wishing to avoid the ADR procedures by registering a “.com” name would still be subject to the U.S. registrar’s current policy, which has been greatly criticized.⁸²

IV. THE IAHC DISPUTE RESOLUTION PROPOSAL COMPARED TO EXISTING AND PROPOSED DISPUTE RESOLUTION PROCESSES

Alternative dispute resolution procedures are of particular benefit in intellectual property-related disputes for the reasons discussed above.⁸³ Additionally, and as will be discussed below, current extrajudicial procedures to resolve trademark disputes as to domain names are inadequate at best and unconstitutional at worst. Proffered suggestions to fix the current system do not provide the same level of benefit as would the institution of ADR procedures, and some suggestions simply are not technically or practically feasible. Furthermore, the approach taken by the U.S. government leaves unsettled many issues that would be resolved by

⁷⁹ See G. Peter Albert, Jr., *Right on the Mark: Defining the Nexus Between Trademarks and Internet Domain Names*, 15 J. MARSHALL J. COMPUTER & INFO. L. 277, 297–298 (1997). Stanley Kaplan Education Center later obtained control of the “kaplan.com” domain name pursuant to an arbitration award. See *id.* at 298.

⁸⁰ See Alexander Gigante, *Blackhole in Cyberspace: The Legal Void in the Internet*, 15 J. MARSHALL J. COMPUTER & INFO. L. 413, 429 (1997).

⁸¹ See *gTLD-MoU*, *supra* note 36, § 8(c); *CORE-MoU*, *supra* note 10, at art. 7(c).

⁸² The current dispute resolution policy of the InterNIC (the U.S. registrar of the “.com,” “.org,” “.net,” and “.edu” domain names) will be discussed *infra* Part IV.A.

⁸³ See discussion *supra* Part III. See generally Martin, *supra* note 68.

the IAHC's dispute resolution proposal, and fails to extend the benefits of ADR to all domain name registrants and trademark holders.

A. *The Current Domain Name Dispute Resolution Policy*

The domain name system (DNS) is administered by Network Solutions, Inc. through an organization known as the InterNIC.⁸⁴ NSI had a five-year contract with the National Science Foundation to continue administration of the DNS; the contract expired on September 30, 1998.⁸⁵ The company initially assigned domain names on a strict "first come, first served" basis, but in response to lawsuits filed by trademark owners, it drafted a policy allowing deactivation of a domain name if a trademark owner asserted its rights.⁸⁶ Since that time, the policy has gone through a number of revisions. The policy discussed below is Revision 03, effective as of February 25, 1998.⁸⁷

1. *Description of the Existing Policy*

Revision 03 of the Domain Dispute Resolution Policy of Network Solutions, Inc. still provides for domain name registration upon a "first come, first served" basis.⁸⁸ However, while Request for Comments 1591 (RFC 1591) advises that, when disputes arise, registration authorities,

⁸⁴ See Steven A. McAuley, *The Federal Government Giveth and Taketh Away: How NSI's Domain Name Dispute Policy (Revision 02) Usurps a Domain Name Owner's Fifth Amendment Procedural Due Process*, 15 J. MARSHALL J. COMPUTER & INFO. L. 547, 548 (1997).

⁸⁵ See NSF Cooperative Agreement No. NCR-9218742 (last modified Mar. 26, 1996) <<http://rs.internic.net/nsf/agreement/agreement.html>>, reprinted in Stuart D. Levi & Jose Esteves, *The Domain Name System and Trademarks*, in FIRST ANNUAL INTERNET LAW INSTITUTE 123, 145 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 482, 1997) (the effective date of this contract was Jan. 1, 1993). Despite lapse of the original contract, NSI continues to operate the domain name registry.

⁸⁶ See Carl Oppedahl, *Analysis and Suggestions Regarding NSI Domain Name Trademark Dispute Policy*, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 73, 86-87 (1996).

⁸⁷ See Network Solutions, Inc., *Network Solution's Domain Name Dispute Policy, Revision 03, Effective February 25, 1998* (visited Oct. 29, 1998) <<ftp://rs.internic.net/policy/internic.domain.policy>> [hereinafter *NSI Dispute Resolution Policy*].

⁸⁸ See *id.* ¶ 1.

including NSI, should “have no role or responsibility other than to provide the contact information to both parties,”⁸⁹ the company has established a procedure by which, upon a challenge to the registration by a third party, it could revoke use of the domain name by the registrant and place the name on “hold” pending a decision by a court.

The procedure states that upon a challenge based on a valid and registered trademark, if the domain name was registered prior to the effective date of the mark’s registration, NSI will allow the continued use of the disputed domain name by the domain name registrant.⁹⁰ However, NSI will comply with any order issued by a court of competent jurisdiction, or arbitration awards.⁹¹

If the registration of the mark became effective prior to the registration of the domain name, the domain name registrant is given the opportunity to produce proof of its own trademark.⁹² A trademark issued by an individual state or province of a nation is not acceptable.⁹³ If the registrant’s mark was registered before notification of the dispute, the registrant may continue to use the domain name.⁹⁴ Failure or inability to produce such proof results in the assigning of a new domain name to the registrant with up to ninety days simultaneous use of the two domain names to ensure a smooth transition from the original domain name to the second, after which time the first domain name will be placed on “hold.”⁹⁵

Additionally, in the case of the registrant’s failure to produce the requested proof of a trademark, or if the registrant refuses to allow transfer of the domain name to the complainant or to register a “new and different domain name,” NSI will place the disputed domain name on hold.⁹⁶ During

⁸⁹ Jon Postel, *Request for Comments: 1591, Domain Name System Structure and Delegation* 6 (Mar. 1994) <ftp://rs.internic.net/policy/rfc1591.txt> [hereinafter *RFC 1591*]. “RFC” stands for “Request for Comments.” Technical RFCs are the recognized standards for how communication is to take place via the Internet. *RFC 1591* is an informational memo which is not meant to establish a technical Internet standard. *See id.* at 1. While all RFCs are considered authoritative and noncompliance with technically-oriented RFCs would remove one from the Internet, full communication can still be accomplished regardless of the InterNIC’s compliance (or lack thereof) with this informational RFC.

⁹⁰ *See NSI Dispute Resolution Policy*, *supra* note 87, ¶ 9(b).

⁹¹ *See id.* ¶ 10(c).

⁹² *See id.* ¶ 9(c).

⁹³ *See id.* ¶¶ 8(a), 9(c).

⁹⁴ *See id.*

⁹⁵ *See id.* ¶ 9(d).

⁹⁶ *Id.* ¶ 9(e).

the hold period no party may use the domain name, but NSI will reinstate the domain name in accordance with a temporary or final order from a court of competent jurisdiction, or an arbitration award.⁹⁷

The only way to avoid these procedures is for either the registrant or the complainant to file a lawsuit. When a lawsuit has been filed in any court of competent jurisdiction, NSI “will deposit control of the domain name into the registry of the court,” while maintaining the status quo immediately prior to the filing of the lawsuit.⁹⁸ In other words, if NSI has already placed a domain name on hold prior to the filing of the suit, the name will continue to be on hold until further order. But if NSI has not yet placed the domain name on hold, the name will not be placed on hold unless and until NSI is ordered to do so.⁹⁹

2. Shortcomings in the NSI Dispute Resolution Policy

One of the fundamental problems with the NSI policy is that the domain name holder is not protected by simply avoiding trademark infringement, but rather must have a trademark itself, in marked contrast to all other situations involving trademark issues, in which mere avoidance of trademark infringement provides protection.¹⁰⁰ The NSI policy not only diverges from existing trademark law on this point, but also requires a costly and time-consuming trademark registration procedure that is not even available to all.

One is not entitled automatically to a trademark, but rather must intend to use or actually be using the desired trademark in interstate commerce as a means of identifying the origin of the goods or services.¹⁰¹ If these requirements are not met, the registrant is not eligible for a trademark from the U.S. Patent and Trademark Office (USPTO) and at the same time, has little defense to the NSI policy. Thus, those who cannot obtain federal trademarks are left completely unprotected by the NSI policy. Also left unprotected by the NSI policy are those who have common law rights to the term through usage, but have not registered the mark.¹⁰²

⁹⁷ See *id.* ¶ 9(f).

⁹⁸ *Id.* ¶ 10(a).

⁹⁹ See *id.*

¹⁰⁰ See Oppedahl, *supra* note 86, at 93 & n.63. See generally GREGORY ET AL., *supra* note 3, at 109–146.

¹⁰¹ See 15 U.S.C. § 1051(a)–(b) (1994).

¹⁰² A trademark owner who does not register the mark, but uses it in connection with particular goods and services, is entitled to some protection under the common

The dispute resolution policy proposed by the International Ad Hoc Committee would solve this problem. Mediation, by merely encouraging and facilitating a mutual agreement by the disputing parties, avoids the necessity of imposing rules or laws that would deny protection to those without formally registered intellectual property rights. Arbitration allows the application of national or regional law, which may recognize the rights of those without formally registered trademarks. Finally, the ACP Substantive Guidelines explicitly provide for the protection of nonregistered intellectual property rights.¹⁰³

Another criticism of the current Network Solutions, Inc. policy is that it protects only trademark holders who challenge registrations merely to stop trademark infringement.¹⁰⁴ If the trademark holder also wishes to obtain the domain name, it must sue the domain name holder. Thus, few lawsuits are avoided by the NSI policy. Some have suggested that despite NSI's willingness to implement court orders without being named as a party to the suit, it would be wise for the challenger to include NSI as a party to ensure NSI's compliance with the final determination of the court.¹⁰⁵ The result would be the same as if NSI had adopted RFC 1591 in full by playing no role other than providing contact information to the disputing parties, except that under the current policy, there is an increased cost to NSI as a result of being a party to the litigation.¹⁰⁶

The IAHC dispute resolution policy would reduce the number of lawsuits required in these situations by expanding the options available to disputing parties. Furthermore, the policy affirmatively eliminates the need to include the registration authority as a party by requiring compliance of the authority with a final disposition of the conflict through WIPO mediation or arbitration or an ACP panelist's decision.¹⁰⁷

law. The owner has the right to use the mark, and is entitled to prevent others from using the mark (or a similar mark) with respect to similar goods or services if the owner's use began first. See GREGORY ET AL., *supra* note 3, at 86.

¹⁰³ See *ACP Substantive Guidelines*, *supra* note 46, at Annex A (stating that one factor that is capable of establishing the existence of any intellectual property right for purposes of the ACP is "[e]vidence establishing the existence of a non-registered intellectual property right").

¹⁰⁴ See Oppedahl, *supra* note 86, at 94; see also *NSI Dispute Resolution Policy*, *supra* note 87, ¶ 9. NSI will place a domain name on hold so that no party can use it or allow continued use by the registrant. There is no provision for transfer of a domain name to a challenger, except pursuant to a court order or arbitration award. See *id.*

¹⁰⁵ See Oppedahl, *supra* note 86, at 94.

¹⁰⁶ See *id.*

¹⁰⁷ See *CORE-MoU*, *supra* note 10, at art. 7(c).

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

Some have also argued that due to NSI's connection with the National Science Foundation, it is subject to the requirements of the U.S. Constitution, and that NSI's placing of domain names on hold violates the domain name holder's Fifth Amendment procedural due process rights under the U. S. Constitution.¹⁰⁸ NSI's connection to the National Science Foundation comes through their contract making NSI the domain name registrar for the United States. Specifically, Network Solutions, Inc.'s failure to provide a hearing before confiscation of the domain name is said to violate due process rights.¹⁰⁹ Some have asserted that the International Ad Hoc Committee proposal is no better in this regard.¹¹⁰

Additionally, the current NSI policy leaves decisions as to trademark issues—even if only temporary decisions—in the hands of those who are not necessarily knowledgeable about trademark law. The results reached by this technologically oriented institution may not only be costly for one or both of the parties involved in the dispute, but also may not be just in light of the surrounding body of law. In short, the business of a domain name registrar is not to decide (even temporarily) trademark disputes, but rather solely to assign domain names. Decisions as to trademarks therefore should be left to those knowledgeable in both the applicable trademark law as well as the technological issues involved. This drawback to the NSI policy is resolved in the IAHC proposal by the appointment of those knowledgeable about both the technology and intellectual property issues to lead Administrative Challenge Panels¹¹¹ and the appointment of mediators and arbitrators with expertise in intellectual property matters.

B. *Proposed Solutions to the Shortcomings of the NSI Policy*

Though a number of options have been proposed for dealing with trademark disputes over domain names, a form of alternative dispute resolution is the most viable option due to the international nature of the

¹⁰⁸ See generally McAuley, *supra* note 84.

¹⁰⁹ See *id.* at 560, 575.

¹¹⁰ See Gigante, *supra* note 80, at 429–430 (noting that the IAHC's requirement of mediation and arbitration, if deemed to be state action, may violate due process standards). Mr. Gigante does not provide any explication of this statement and no lawsuits have been filed on these grounds (in light of the fact that the IAHC proposal has not gone into effect). However, because the mediation, arbitration, and ACP procedures would take place before a neutral decisionmaker and present ample opportunity for both sides to be heard, this risk is minimized.

¹¹¹ See *Resolution of Intellectual Property Disputes*, *supra* note 9, § III.

Internet and the technological limitations involved. This section will discuss some of the proposals that have been made recently and demonstrate why alternative dispute resolution is a better method by which to settle domain name-trademark disputes.

1. *Leaving the Internet Free from Trademark Law*

There are some who believe that the Internet should be free from the restrictions of trademark law, and consequently that any attempt to enforce intellectual property rights with respect to domain names would not be acceptable.¹¹² Due to the business interests discussed above, this position is simply not compatible with modern day realities.¹¹³ However, based on the idea that trademark rights on the Internet should be limited, those who admit that a trademark owner has a legitimate interest in protecting that trademark in the course of electronic commerce have suggested that commercial domain name space should be separated from noncommercial space.¹¹⁴ Commercial entities would be allowed to register only in commercial space, and principles of trademark law would apply. Noncommercial entities would occupy the remaining space free and clear from any such restrictions.¹¹⁵

The most fundamental problem with this suggestion is that there is no known way to separate commercial from noncommercial space without creating two independent "Internets."¹¹⁶ Even if it were conceivable to create such a structure, however, prescreening applicants for noncommercial domain names to ensure that they truly were noncommercial entities would not be economically or practically feasible in terms of time and monetary costs.¹¹⁷ Moreover, assuming that an acceptable method of screening were designed, there would be no way to prevent noncommercial domain names from being sold or otherwise turned

¹¹² See *Open Letter*, *supra* note 10, ¶ 27.

¹¹³ See discussion *supra* Part I.

¹¹⁴ See *Open Letter*, *supra* note 10, ¶ 31.

¹¹⁵ See *id.*

¹¹⁶ There is only one Internet. It "refers to the network that began its life as the ARPANET [a project of the Department of Defense] and continues today as, roughly, the confederation of all TCP/IP networks directly or indirectly connected to commercial U.S. backbones." ALBITZ & LIU, *supra* note 4, at 2. Any additional "Internets" that were to be created might model the Internet we know now, but would not be the *same* network to which we now refer.

¹¹⁷ See *Open Letter*, *supra* note 10, ¶ 33.

over to commercial entities, which would then be free from the intellectual property laws governing commercial space.¹¹⁸

The International Ad Hoc Committee proposal balances the need to minimize the burden of applying trademark law to noncommercial entities with the need to protect intellectual property rights on an indivisible Internet. Because common law usage rights can be protected under the proposal,¹¹⁹ the rights of noncommercial entities will not necessarily be overpowered by commercial interests. Moreover, the availability of alternative dispute resolution procedures reduces the costs required to settle a trademark dispute,¹²⁰ thereby equalizing to a great degree the playing field between the commercial and noncommercial entities.

2. Full Adoption of RFC 1591

By fully adopting *RFC 1591*,¹²¹ the domain name registrars would no longer be able to make even temporary decisions regarding who has superior rights to the use of a particular domain name. Because there would be no revocation of a domain name absent a court order or evidence of a dispute settlement, there would no longer be a possibility of a violation of the domain name registrant's procedural due process rights. Additionally, a registration authority that knows little about trademark law would not be in the position of making trademark-based decisions.

However, adoption of this standard by itself does not provide a complete solution. While full adoption of *RFC 1591* would bind the registration authority to implement whatever decision a court makes, truly eliminating the need to include the authority as a defendant in the lawsuit,¹²² protracted court battles would be the only remaining option to settle disputes.¹²³ In businesses (especially Internet- and software-related

¹¹⁸ *See id.*

¹¹⁹ *See supra* note 102 and accompanying text.

¹²⁰ *See* discussion *supra* Part III.

¹²¹ RFC 1591, as discussed *supra* Part IV.A.1, states in pertinent part: "In case of a dispute between domain name registrants as to the rights to a particular name, the registration authority shall have no role or responsibility other than to provide the contact information to both parties." *RFC 1591, supra* note 89, at 6-7.

¹²² *See* Oppedahl, *supra* note 86, at 108.

¹²³ As one commentator has noted:

Unless a case is commenced by way of an application for a preliminary injunction, resolution of a trademark controversy through trial will take more than a year in virtually every judicial district, meaning that the plaintiff will have to

businesses) in which speed and timing often equates to market share, this could be extremely damaging if no quicker resolution exists. The IAHC dispute resolution proposal not only fully adopts RFC 1591 as to the registration authorities, but also provides methods for expeditious resolutions to potentially time-sensitive disputes.

3. *Development of Master Domain Name Masks*

It has been suggested that the domain name system be changed to allow a "master domain name mask."¹²⁴ According to this proposal, the domain name system would be changed, reassigning existing names and registering new names according to a numeric scheme. Rather than having, for example, only one "dominos.com," under this proposal there instead would be "dominos*1.com" and "dominos*2.com."¹²⁵ "Dominos.com" would be the master list of all corresponding domain names, and would provide the list with a short description of each name.¹²⁶

At first blush, this may seem to be both feasible and easy to accomplish. It is obvious from personal experience that if one is looking for a John Smith on a given computer system, the system often provides a way to look up the name, returning a list of all John Smiths who use the system from which the user may choose. This technology, however, works very differently than the DNS works. Several technological and practical considerations stand in the way of such a massive change to the DNS infrastructure.

While the change may not be so difficult for World Wide Web applications, the burden with respect to e-mail would be far more severe.¹²⁷

wait that long to get injunctive relief, even if it is successful. The possibility of stay of injunctive relief pending appeal may further delay the process.

Anthony F. LoCicero, *Litigating Trademark Cases*, in LITIGATING COPYRIGHT, TRADEMARK, AND UNFAIR COMPETITION CASES 1991, at 251, 304 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 326, 1991). Even where a preliminary injunction is sought and received, the time it takes to go through trial and convert it to a permanent injunction (or determine that the injunction is unwarranted) could prove costly.

¹²⁴ See Albert, *supra* note 79, at 277, 310.

¹²⁵ See *id.*

¹²⁶ See *id.*

¹²⁷ Once the re-assigning of domain names were completed, a user typing in <http://www.dominos.com> would go to an existing web page, which would contain the list referred to above. A user typing in an e-mail address to "secretary@dominos.com," could not receive a web page in return. Rather, the mail

Secondly, demand on the domain name servers would skyrocket. “[S]tatistics from the InterNIC show that their root name server . . . receives 255,600 queries per hour, or almost 71 queries per second.”¹²⁸ The system in question would require a doubling of queries against the name servers because there would be one query to reach the master list and a second query to get to the desired location.¹²⁹

Additionally, it is unclear who would be in charge of administering the master domain name masks. The registrars would be the most logical choice because all domain names must be registered through them initially. However, centralization of this type defeats the purpose of the DNS, which was to speed transmission of data, relieve traffic pressures, and ensure up-to-date information by creating *decentralized* authority.¹³⁰ To recentralize administration of this information would introduce many of the same problems the DNS was created to avoid.

The practical difficulty associated with the proposal becomes apparent when there are not five domain names corresponding to “mcdonalds.com,” but rather one hundred, a thousand, or a hundred thousand. Perhaps there would be little chance of having so many “mcdonalds.com” domain names,

would have to be sent out, then bounced back with an error message indicating an incomplete address. Presumably, this error message would be accompanied by a list of possible correct addresses from which to choose. “Another possibility would require that all ‘dominos.com’ domains share user information perfectly; but this would be completely impractical.” Interview with William D. Yang, Computer and Network Technology Specialist, The Ohio Supercomputer Center, in Columbus, Ohio (Mar. 8, 1998).

¹²⁸ ALBITZ & LIU, *supra* note 4, at 25.

¹²⁹ As explained *supra* note 4, the domain name is merely a mnemonic that corresponds to an Internet Protocol address. When the user types in the desired destination, the program in use queries the local computer system for the IP address. If it knows the IP address requested, it makes the connection right away. If not, however, it queries against the root-level DNS. For instance, if a user was looking for “freenet.columbus.oh.us” the user’s computer would query the DNS that is authoritative for “.us” information. That DNS would refer the user’s computer to the second-level name server (authoritative for “oh.us”), which in turn would refer the user’s computer to the authority for “columbus.oh.us.” This last query would yield the IP address for “freenet.columbus.oh.us.” With this information, the user’s computer would then make the final connection. With “dominos.com,” this process would be the same, only a great deal shorter. For a more in-depth explanation of the functioning of the DNS, see ALBITZ & LIU, *supra* note 4, at ch. 2.

¹³⁰ *See id.* at 4 (“The decentralization of administration would eliminate the single-host bottleneck and relieve the traffic problem. And local management would make the task of keeping data up to date much easier.”).

but the danger becomes apparent if we consider what would happen if every person named John Smith wanted his own web page affiliated with "johnsmith.com," or if we consider a "sex.com" domain name. Beyond the sheer confusion that would result, the reality is that few would have the time or patience to look through a list so long, and the effectiveness of the Internet as a medium of communication would be severely diminished.¹³¹

Moreover, it is unclear that disputes would be quelled by such a system. Given that few people have the patience to look through a long list, there would be obvious advantages to being listed at the beginning rather than 34th or 104th. The "master domain name mask" proposal would do nothing to stem lawsuits over who has the right to be "dominos*1.com" versus "dominos*104.com."

Even supposing that all of these problems could be overcome, such a technological change is years in the future; nothing is resolved in the immediate term. The International Ad Hoc Committee's alternative dispute resolution proposal, however, provides a realistic and immediate solution to disputes over domain names in that it can be implemented within a matter of months, as opposed to years.

4. *Expansion of the Number of Top-Level Domains*

The clash between intellectual property rights and domain name registrations is partially a result of the fundamental scarcity of the domain name resource, as demonstrated in the discussion above. Consequently, it has been suggested that in order to relieve the resource allocation problem, the number of generic top-level domains should be expanded.¹³²

While in some cases, the demand for domain names may be relieved as a result of the new gTLDs, the creation of new top-level domains does not completely solve the problems presented by the trademark-domain name clash. For example, due to the diversity of Disney operations, the company would have every incentive to register, at the very least, ".firm because it is a business, .store because it advertises merchandise to customers at The Disney Store via the Web, .web because it offers online games and

¹³¹ This is true not only with Web pages, but also with e-mail, which also would have to be controlled by the same system. If every time one wanted to send an e-mail, and one had to look through a master list before the mail could successfully be sent, the ease and speed of e-mail communication would be greatly burdened.

¹³² See, e.g., Oppedahl, *supra* note 86, at 104; *IAHC Final Report*, *supra* note 6, § 3.2; Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,746 (1998).

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

activities, .arts for Disney's movie and television divisions, .rec for its well-known theme parks, and .info for Disney's family.com Web site."¹³³ Moreover, Disney (as well as many other companies) probably would want to register in all the top-level domains to protect possible future expansions of its operations.¹³⁴ The International Ad Hoc Committee proposed more than the mere expansion of top-level domains specifically because it recognized that the expansion would not completely solve the trademark issues.¹³⁵

C. Proposal of the United States Government

As referenced in this Note's Introduction, the U.S. Department of Commerce, through the National Telecommunications and Information Administration, recently formulated a new policy that would affect the outcome of this debate. The policy governs the transition period following the expiration of Network Solutions, Inc.'s contract in September 1998, the addition of new top-level domains, and the available options for resolution of trademark disputes over domain names.¹³⁶ Though the U.S. government plan bears some similarity to that of the International Ad Hoc Committee, action by the U.S. government to conduct the transition of the domain name system takes precedence over the IAHC proposal.¹³⁷

1. Substance of the NTIA Plan

The NTIA's plan allows the introduction of new gTLDs, with registries and registrars potentially located around the globe.¹³⁸ Just as the

¹³³ Deborah Howitt, *War.com: Why the Battles over Domain Names Will Never Cease*, 19 HASTINGS COMM. & ENT. L.J. 719, 740 (1997).

¹³⁴ See Oppedahl, *supra* note 86, at 105; see also *IAHC Final Report*, *supra* note 6, § 3.2.1.

¹³⁵ See *IAHC Final Report*, *supra* note 6, § 7.2.

¹³⁶ See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,745.

¹³⁷ The Internet was originally developed as a project of the Department of Defense. "As a legacy, major components of the domain name system are still performed by or subject to agreements with agencies of the U.S. government." *Improvement of Technical Management of Internet Names and Addresses*, 63 Fed. Reg. 8825, 8826 (1998) (proposed Feb. 20, 1998).

¹³⁸ See *Management of Internet Names and Addresses*, 63 Fed. Reg. at 31,745. Whether, when, and how many new gTLDs to add will be the decision of a new, nonprofit corporation that will be established pursuant to the NTIA plan. See *id.* at 31,746. The requirements for registries and registrars are merely technical in nature and

International Ad Hoc Committee's proposal raised complicated jurisdictional issues that required a global system of alternative dispute resolution, the government's proposal, too, requires such a system.

Initially, the NTIA proposed that in order to settle disputes over domain names, if an objection by a trademark owner was lodged within thirty days of the initial registration of a domain name, there would be a temporary suspension of the domain name for the pendency of the dispute and that jurisdiction would lie where the domain name registry was domiciled, where the registry database was maintained, or where the "A" (primary) root server was maintained.¹³⁹ It suggested that each name registry be required to establish minimum dispute resolution procedures, with authority to develop "additional trademark protection and trademark dispute resolution mechanisms."¹⁴⁰

Minimum procedures for the protection of trademark holders would have included sufficient and up-to-date domain name owner and contact information; certification by the registrant that it knows of no entity with superior rights in the domain name; a searchable database; a "readily available and convenient dispute resolution process that requires no involvement by [the] registrars"; and a requirement that registries and registrars "will abide by the decisions resulting from an agreed-upon dispute resolution process or by the decision of a court of competent jurisdiction."¹⁴¹ After seeking comment upon whether registries should themselves be required to settle trademark disputes within a specified period of time following the filing of a challenge, and if so, how long the period should be,¹⁴² the NTIA recognized the need for a uniform dispute resolution procedure.¹⁴³

The policy finally adopted by the NTIA requires that the government "seek international support to call upon the World Intellectual Property Organization" to develop a system of ADR for the uniform resolution of trademark disputes over domain names.¹⁴⁴ Furthermore, registries and registrars will not be permitted to become involved with the settlement of

do not preclude entities from around the world from qualifying to be registries or registrars. *See id.* at 31,745.

¹³⁹ *See* Improvement of Technical Management of Internet Names and Addresses, 63 Fed. Reg. at 8830.

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 8833.

¹⁴² *See id.* at 8830.

¹⁴³ *See* Management of Internet Names and Addresses, 63 Fed. Reg. at 31,747.

¹⁴⁴ *Id.*

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

trademark disputes.¹⁴⁵ Rather, registries and registrars will be responsible only for providing a database containing contact information necessary for trademark owners to protect their trademarks.¹⁴⁶

Despite the acceptance of alternative dispute resolution as an appropriate mechanism for domain name disputes, the U.S. government has limited the availability of ADR to disputes involving cyberpiracy.¹⁴⁷ Jurisdiction over the domain name in disputes not eligible for alternative dispute resolution procedures is to be determined in a similar manner to that which was originally proposed. Jurisdiction would lie with “a court where the ‘A’ root server is maintained, where the registry is domiciled, where the registry database is maintained, or where the registrar is domiciled.”¹⁴⁸ The shortcomings of this policy are evident.

The policy would require, from a practical standpoint, that someone decide *before* the dispute was submitted to the ADR procedures whether the registrant may have a legitimate claim to the name. The definition of “disputes involving cyberpiracy” appears to exclude disputes between parties with legitimate claims to the domain name. If it is a prerequisite that the claim must involve cyberpiracy in order to be submitted to ADR, it would be required that someone first determine that one of the parties does not have a legitimate claim to the name. Concluding that one party does not have a legitimate claim to the domain name, in order to submit the dispute to a process that would determine which of the two parties has a superior claim to the name, is to beg the question.

The only way to avoid this problem is to say that disputes involving cyberpiracy excludes only those disputes between two *trademark* holders. Under this definition, only if both parties had trademark registrations for the word or phrase used in the domain name would the ADR procedures be closed to the dispute. While this would result in greater availability of ADR in trademark-domain name disputes, it is completely arbitrary, given that there are those who may have a legitimate claim to a domain name yet not qualify for a trademark.¹⁴⁹ These would have access to ADR procedures

¹⁴⁵ *See id.*

¹⁴⁶ *See id.*

¹⁴⁷ *See id.* The NTIA states that support from the WIPO should be sought to “develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberpiracy (as opposed to conflicts between trademark holders with legitimate competing rights).” *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *See discussion supra* Part IV.A.2.

while trademark owners would be deprived of access to this forum if their claims are against other trademark owners.

Additionally, and under either definition of "disputes involving cyberpiracy," the government's policy will deprive disputing parties that are not eligible for the ADR mechanisms of the time and cost savings associated with on-line ADR procedures.¹⁵⁰ Finally, the jurisdictional provisions do not advance any type of clarity with respect to which court would be the appropriate court. By leaving four choices—each of which could be in a different city, state, or country—the NTIA's policy creates the opportunity for forum shopping and other strategic behavior.

In stark contrast, the IAHC proposal establishes dispute resolution procedures that would be applicable no matter who or where the parties and no matter what the domain name. There are firm rules that establish which law applies to a dispute undergoing arbitration and firm substantive rules for disputes undergoing ACP procedures.

In light of the shortcomings of the NTIA policy and the benefits of the International Ad Hoc Committee's dispute resolution system, the National Telecommunications and Information Administration should have chosen to implement the IAHC's dispute resolution plan. However, it is still entirely possible that many of the advantages of the IAHC proposal will be incorporated into the dispute resolution system that the U.S. government has proposed be developed in coordination with the WIPO.

2. *Response by the World Intellectual Property Organization*

In response to the NTIA policy and significant international support for a WIPO-sponsored Internet Domain Name Process, the World Intellectual Property Organization has convened "an international process to develop recommendations concerning the intellectual property issues associated with Internet domain names, including dispute resolution."¹⁵¹ The WIPO intends to cooperate with the new organization being formed pursuant to the NTIA policy,¹⁵² and to provide information and recommendations to that organization.¹⁵³

¹⁵⁰ See discussion *supra* Part III.

¹⁵¹ *WIPO Internet Domain Name Process* (visited Oct. 29, 1998) <<http://wipo2.wipo.int/process/eng/wipo1.html>>; see also *Background Information* (visited Oct. 29, 1998) <<http://wipo2.wipo.int/process/eng/background.html>>.

¹⁵² The NTIA policy statement requires the formation of a nonprofit corporation that will administer the domain name system. While the transition is intended to be complete before the year 2000, September 30, 2000 remains the "outside date." See

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

The process is expected to take less than eight months to complete, and will incorporate on-line discussions and physical consultations involving members of the Internet community and an advisory panel of experts.¹⁵⁴ A number of Requests for Comments will be released throughout the course of the process, and the public is invited to submit comments.¹⁵⁵

The initial RFC was released on July 8, 1998, and the comment deadline was August 24, 1998.¹⁵⁶ This first RFC was principally for the purpose of defining the terms and procedure of the process, and for establishing the timetable.¹⁵⁷ As part of the proposal, it has been suggested that the process consider alternative approaches (other than court litigation) for the resolution of domain name-trademark conflicts, including mediation, arbitration, and the various forms of administrative procedures *that have already been developed*.¹⁵⁸

The second request for comments was issued on September 14, 1998, with a comment submission deadline of November 6, 1998.¹⁵⁹ Of the comments that had been made on the date this Note was submitted to the printer, most favored a dispute resolution system that would allow speedy and cost effective resolution of trademark disputes, yet retain the option of court litigation.¹⁶⁰

Management of Internet Names and Addresses, 63 Fed. Reg. at 31,744. Due to the unfortunate passing away on October 15, 1998 of Dr. Jonathon Postel, the transition process may be somewhat slowed. Dr. Postel is generally credited as being one of the original creators of the Internet. Until his death, he was integrally involved with the management of the Internet domain name system, including the formation of the new corporation. See Karen Kaplan, *Pioneer's Behind-the-Scenes Toil Helped Bring Internet to Public*, L.A. TIMES, Oct. 26, 1998, at C1.

¹⁵³ See *Background Information*, supra note 151.

¹⁵⁴ See *Process Timetable* (visited Oct. 29, 1998) <<http://wipo2.wipo.int/process/eng/timetable.html>>; *Updates* (visited Oct. 29, 1998) <<http://wipo2.wipo.int/process/eng/updates.html>>.

¹⁵⁵ See *Updates*, supra note 154.

¹⁵⁶ See *WIPO RFC-1: Request for Comments on Terms of Reference, Procedures and Timetable for the WIPO Internet Domain Name Process* ¶ 12 (visited Oct. 29, 1998) <<http://wipo2.wipo.int/process/eng/rfc.html>>.

¹⁵⁷ See *id.* ¶ 1.

¹⁵⁸ See *id.* ¶ 4.A.

¹⁵⁹ See *Process Timetable*, supra note 154. As of the date this Note was submitted to the printer, comments on RFC-2 were not yet due. Those that were submitted prior to October 27, 1998, are addressed in this Note to the extent relevant to the discussion.

¹⁶⁰ See, e.g., Bell Atlantic, *Bell Atlantic Statement to Panel of Experts* (visited Oct. 27, 1998) <http://wipo2.wipo.int/dns_attachments/rfc2/attach908465081.doc>; Time Warner, Inc., *Time Warner Inc.'s Comments for a Fair and Efficient Domain*

The International Ad Hoc Committee's proposal fulfills these desired criteria by providing that a challenger to a domain name registration can choose to bring its claim in any one of the following three manners: (1) in a court, (2) in an Administrative Challenge Panel, or (3) in mediation.¹⁶¹ Moreover, submission of a claim to an ACP or to mediation does not preclude the possibility of later submitting the claim to court litigation.¹⁶²

The most serious challenge to the adoption of a dispute resolution system that includes binding arbitration—as the IAHC's proposal does—is that “[t]here may be countries where e.g. natural persons [sic] are not entitled to make contracts with binding arbitration clauses freely at their own discretion. Instead, the statutory law of many countries provides certain lists of ‘black clauses’ which are deemed to be void and/or unenforceable in any private contracts.”¹⁶³ However, it is unclear which countries, if any, have restrictions on the ability of a party to contract for binding arbitration clauses.¹⁶⁴

Assuming for the sake of argument that there are such countries, it should be noted that the International Ad Hoc Committee's dispute resolution system and the related registration agreement negate this objection to the inclusion of binding arbitration as a method of resolving trademark disputes over domain names. Under these proposals, binding arbitration would not be automatic, but would follow only after an unsuccessful mediation, at which point litigation in a court still remains a possibility.¹⁶⁵ Moreover, the agreement would allow a domain name registrant to check a box at the time of registration declining mandatory arbitration of claims arising from the registration.¹⁶⁶

If these safeguards are deemed to insufficiently address the challenge raised, existing language in the IAHC proposal and the proposed registration agreement could be supplemented by an indication that in the

Name System (visited Oct. 27, 1998) <http://wipo2.wipo.int/dns_attachments/rfc2/attach906527481.doc>; Viacom, Inc., *Comments of Viacom Inc. to Assist WIPO's Development of a Dispute Resolution System Regarding Domain Names* (visited Oct. 27, 1998) <http://wipo2.wipo.int/dns_attachments/rfc2/attach908737540.doc>.

¹⁶¹ For a clear illustration of how the IAHC's system meets this criteria, see the chart *supra* Part II.

¹⁶² See chart *supra* Part II; see also *gTLD-MoU*, *supra* note 36, § 8(c).

¹⁶³ Axel H. Horns, *WIPO RFC-2 Comment* (visited Oct. 27, 1998) <http://wipo2.wipo.int/dns_comments/rfc2/0000.html>.

¹⁶⁴ This comment provided no examples of countries in which such prohibitions exist, and research into this particular element is beyond the scope of this Note.

¹⁶⁵ See chart *supra* Part II.

¹⁶⁶ See *CORE-MoU*, *supra* note 10, at art. 7 § b.

RESOLVING DOMAIN NAME-TRADEMARK DISPUTES

event the party cannot consent to binding arbitration due to the law to which he is subject, a different result would follow unsuccessful mediation of a dispute. For example, the dispute could be submitted to arbitration, just as any other dispute would be, but the arbitration would not be binding. Alternatively, an unsuccessful mediation could lead to a proceeding before an Administrative Challenge Panel.

It remains to be seen how the comments submitted and concerns raised during this eight month WIPO process will be viewed and ultimately resolved. A third request for comments is scheduled to be issued at the beginning of December 1998, with a comment deadline of January 29, 1999; the final report is expected to be published on March 1, 1999.¹⁶⁷

V. CONCLUSION

As Internet usage has exploded in recent years, there has been a corresponding explosion in trademark disputes over domain names. Current resolution procedures are insufficient, with many legal decisions being left in the hands of technical administrators, and protracted and expensive litigation being the only real option for disputants. Recent proposals to expand the number of generic top-level domains and globalize registration processes for these new domains require that a system of alternative dispute resolution be implemented to alleviate the complex jurisdictional uncertainties that are an inherent part of this globalization, and to reduce the extraordinary time and expense that litigation would otherwise necessitate.

The dispute resolution system proposed by the International Ad Hoc Committee and facilitated by the World Intellectual Property Organization accomplishes these goals by establishing procedures for choice of applicable law, by providing an administrative procedure that allows for the development of precedent, and by promoting sheer agreement between the disputants via mediation. The proposal's imposition of short time frames for these ADR procedures promises swift, cost effective, and fair determinations of intellectual property rights by neutral parties who are familiar with intellectual property issues. Moreover, it appropriately balances the interests of trademark holders with those of domain name registrants and technical administration bodies.

As even the U.S. government's recent policy statement makes clear, a method must be implemented by which trademark-domain name disputes can be resolved quickly, inexpensively, and fairly. The International Ad

¹⁶⁷ See *Process Timetable*, *supra* note 154.

Hoc Committee dispute resolution proposal serves these ends, providing an optimum solution to problems existing under current domain name policies, as well as to those that will develop as the domain name system evolves. The United States government and the World Intellectual Property Organization, in developing the alternative dispute resolution system that will finally be implemented, should embrace and adopt the International Ad Hoc Committee's proposal for all trademark-domain name disputes.