



## THE PLIGHT OF DOMAIN NAMES: LATEST TRENDS & ROLE OF THE UDRP

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### Abstract

The growth of Internet and development of e-commerce has resulted in many complex intellectual property issues like cyber-squatting, domain name disputes, passing off and dilution of trademark in cyber space. Cybersquatters exploit the first-come-first-served registration process to gain unfair advantage. A need was felt globally for adopting a Uniform Policy to combat the menace of Cybersquatting. Domestic Laws, not being extra territorial, does not adequately protect the domain names. Brainchild of ICANN, UDRP provides a mechanism for resolving disputes between domain name owners and trademark holders and the domain name registrants. Prior to UDRP, the domain name disputes were resolved by settlements or litigations. Initially, it was felt that establishment of UDRP shall put an embargo on the Cybersquatters and shall also act as a deterrent, however the year-on-year growth of the Domain Name disputes filed and decided by the UDRP reflects towards the contrary. This paper aims, inter-alia, towards highlighting the development of the Internet, illegal acts of cybersquatting, role of WIPO and empirically analyze the effectiveness of UDRP for combating Cybersquatting and Domain Name Disputes with the help of mixed research methodology.

**Keywords:** Internet, Domain Names, Cyber Squatting, WIPO, UDRP

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## 1. INTRODUCTION

The internet has a unique ability to facilitate Cross-border commercial transactions using computer networks. Trading through internet has now become a reality.<sup>1</sup> Primarily, in essence, Internet was only considered as a mode of communication between people located at diverse locations, however with the passage of time and growth of the technology and bandwidth, it was realized that Internet is a complete ocean of opportunities. Every entity that wished to enter into the global market was required to at least have the presence over the internet, which was possible only by having an address over the digital world where their goods / services can be exhibited and offered for sale. The Domain Name System (DNS) became a ready response to the need of the entities to transact globally. Domain name is the simplified form of the complex Internet Protocol Address (IP Address). Complex numbers which were difficult to remember, that may be easily misread, mistyped or forgotten, got converted into human friendly names which signify the source of the associated offerings. Commercialization of the Internet resulted into a drastic shift in the paradigm of DNS. Domain Names, which were earlier only considered to be a technical address that facilitated connections between Computers, became brands and identifier of origin as well. Domain Names also signal towards the commercial presence of an entity over the digital world of publicity and advertisement and acts as a standard identification apparatus of an enterprise.<sup>2</sup> This sudden growth in the commercial importance of the DNS also resulted into numerous legal disputes ranging from the conflict between the trademark and domain names and also the problem relating to cybersquatting. As internet, by its very inherent nature is not bound by any territorial boundaries, there were multiple challenges in adjudication / resolution of the domain name disputes, viz., jurisdiction, choice of law, language of proceedings etc. Moreover, the speed of the Internet, significantly contributed in creating great hurdles for dispute settlement in the sense that it enabled registration of domain names and penetrated the global presence in a matter of just few seconds which may cause considerable damage to the enterprises having bonafide and legitimate rights in the said domain names. The above harsh scenarios gave

<sup>1</sup> V.K. UNNI, TRADEMARKS AND EMERGING CONCEPTS OF CYBER PROPERTY RIGHTS 2 (Eastern Law House 2002).

<sup>2</sup> LIONEL BENTLEY ET. AL., INTELLECTUAL PROPERTY LAW 712 (Oxford University Press 2008).

rise to the need of adopting a Dispute Resolution Policy for settling domain name disputes, globally.<sup>3</sup> Accordingly, the “Uniform Domain Name Dispute Resolution Policy (UDRP) adopted by the Internet Corporation of Assigned Names and Numbers (ICANN)”, was the most suitable solution formulated to counter the shortcomings of the traditional legal system to combat the Domain Name Disputes. The present research paper, divided into 6 parts, exhaustively deal with the plight of the domain names in today’s virtual world and examines the solution (though partial) as provided by the UDRP.

## 2. INTERNET: EMERGENCE, INTERNET ADDRESSING AND THE DOMAIN NAME SYSTEM

### 2.1 Emergence of Internet & Internet Addressing

The Internet refers to the network off interconnected networks which commenced in the 1960s and was funded by The United States Advanced Research Project Agency (ARPA). Like any other communications system that involves transmission of information from origin to the destination, the internet also relies on an addressing system.<sup>4</sup> Message transmission between computer networks inter-se requires definite addresses and logical locations.<sup>5</sup> Further, in order to ensure successful transfer of information across computer networks, each of the address must be unique. These functions pertaining to demarcating specific addresses over the internet are ensured by the IP Protocol and the addresses are also known as IP Addresses.<sup>6</sup> For example, the IP Address for the ICANN may be represented as 192.0.34.65.

### 2.2 The Domain Name System (DNS)

A basic distinction is drawn between names and addresses. A name is simply an identifier that identifies an entity, such as a person or computer. An address, on the other hand, is an identifier that also reveals information about either the physical or logical location of the entity. Host computers attached to the internet have both names and addresses. Apart from the computer readable IP

<sup>3</sup> DAVID LINDSAY, INTERNATIONAL DOMAIN NAME LAW, ICANN AND THE UDRP, 512 ( Hart Publishing 2000)..

<sup>4</sup> JOHN NAUGHTON, A BRIEF HISTORY OF FUTURE: ORIGINS OF THE INTERNET, 22 (Prion Pub Co. 2000).

<sup>5</sup> NANDAN KAMATH, LAW RELATING TO COMPUTERS INTERNET & E- COMMERCE, 125-126 (Universal Law Publication Co. 2017).

<sup>6</sup> *Id.* at 129.

address, each computer is assigned a human readable name which is known as a Domain Name.<sup>7</sup> Attaching both, name and address to a single computer creates a need for a system to correlate, or ‘map’, human – friendly domain names to computer-friendly IP addresses. This function of mapping the domain names with IP Addresses is carried out by the DNS.

### 2.3 Commercialization of Internet

In the early to mid – 1990s the internet was transformed from a predominantly academic research network to a commercial network with wide spread appeal. The privatization of the Internet led to the development of a capability software / application, that assisted in locating information over the Computer network using hypertext. This capability software was the “World Wide Web” (www). The user-friendly www was instrumental in internet becoming mass medium.<sup>8</sup>

The commercialization of the internet and the success of the www placed considerable strains on the DNS. In particular, the popularity of World Wide Web created a significant increase in demand for new domain names. Moreover, the World Wide Web was responsible for a transformation in the function of domain names. The www, however, has its own address system, known as “Uniform Resource Locator” (URLs). A typical URL uses the format “http://www.icann.org/general/fact-sheet.html”.

The first part of URL (http) indicates that Hypertext Transfer Protocol is used to access the resource. The second part “www” signifies that it is a www resource. The third part “icann.org” is the domain name which is the address of the computer where the resource is stored. The fourth and the subsequent parts of URL “/general/fact-sheet.htm/” identify the directories, sub-directories and file name of the resource. The fourth and the subsequent parts of the URL can include an unlimited number of directories and sub-directories.<sup>9</sup>

The use of domain names in URLs meant that the domain names became used for locating content in

the cyberspace. Moreover, as www began to promote organizations and products, the domain names became used to locate organizations and products. Despite the intentions of those who designed DNS, domain names became used as a form of directory for locating material stored on the internet.<sup>10</sup>

The next part of the Research Paper introduces the problem of Cybersquatting and sets the stage for the other parts dealing with the UDRP and the empirical analysis of the UDRP Decisions with respect to abusive and bad faith registration.

### 3. LEGAL ISSUES SURROUNDING DNS

The Domain Name System was designed and developed before internet began to be commercially used. The DNS, designed by people from non-legal background, focused only upon the technical requirements and not much weightage was given to legal technicalities. Consequently, prior to the commercialization of internet, it was impossible to predict the associated problems. As a result, when DNS was established, issues relating to conflict between internet identifier and real-world identifier, like trademarks were not taken into consideration.<sup>11</sup>

The fundamental distinction between domain names and real-world identifiers, wherein people have right, was highlighted with commercial utilization of domain names. World Intellectual Property Organisation (WIPO) articulated, the distinction between DNS and IPR’s, especially trade marks in the following words:

*“The DNS was designed for its own internal purposes: to ensure connectivity in a technically coherent manner and to do so in a way which was simple and easy for human users to understand and use. Over the same period as the DNS has demonstrated its outstanding success in achieving its designed objectives, it has become, a victim of its own success as the applications of the internet have expanded into all spheres of activity and as enterprises and persons have begun to include their domain names in the standard identification apparatus that they use for the purposes of business and social communications.”<sup>12</sup>*

<sup>7</sup> UYLESS BLACK, INTERNET ARCHITECTURE: AN INTRODUCTION TO IP PROTOCOLS, 19 (Pearson Education 2000).

<sup>8</sup> DAVID LINDSAY, *supra* note 3, at 13

<sup>9</sup> MILTON MUELLER, RULING THE ROOT: INTERNET GOVERNANCE AND TAMING OF CYBERSPACE 44 (Cambridge, Mass: The MIT Press 2002).

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<sup>10</sup>*Id.* at 78.

<sup>11</sup> DAVID LINDSAY, *supra* note 3, at 513.

<sup>12</sup> World Intellectual Property Organization (WIPO), The Management of Internet Names and Addresses: In WORLD INTELLECTUAL PROPERTY ORGANISATION (WIPO), The Management of Internet Names and Addresses: Intellectual Property

### 3.1 Cybersquatting

The commercialization of internet paved way for opportunists to reap profits out the goodwill and reputation of numerous businesses that had well known and hard-earned reputation in the offline world. Such opportunists, while taking advantage of the lethargy of such business entities / celebrities got their trademarks / famous names registered as domain names. The most primary reason behind the enormous rise in the possibility of opportunistic profiteering was that domain name registration for open gTLDs - .com .net and .org were on a “first come first served” basis. The applicants, at the time for applying for the Domain Name Registration are not required to establish any association with the original trade mark / famous name.<sup>13</sup> Also, the domain name registrars are not required to vet the applications and / or raise any objection with regard to propriety of the name. The only diligence that is required to be observed at the registrar’s or applicant’s end was regarding availability of the domain name for registration.<sup>14</sup> Registration of domain name is somewhat similar to creation of an email id where the applicant creating the email id has to ensure that the email id is unique and available for registration. If the email id is found to be overlapping, creation of email id gets automatically denied and the service provider website provides an alternative option which is available for registration.

Some of the opportunistic practices associated with the registration of real world identifiers became known by the term “cybersquatting” derived from the term “squatter”, meaning a person illegally occupies the real property of another.<sup>15</sup> It is the first recognized issue pertaining to DNS which emerged in the 1990’s itself.<sup>16</sup> The term ‘cybersquatting’, which is sometimes used interchangeably with the term ‘cyber-piracy’, is not capable of a precise definition, the WIPO report, attempted to distinguish between ‘cyberpiracy’ and ‘cybersquatting’ in the sense that cyber piracy refers to violation of literary content over the website, whereas cybersquatting pertains to abusive bad faith domain name

registration.<sup>17</sup> Cybersquatting can be equated with land grab in the physical world. The modus operandi of the cybersquatter is to register a well known trade mark as a domain name and compel the rightful owners to buy the said domain name against exorbitant prices.<sup>18</sup>

Cybersquatting is considered to be an illegal act as an unscrupulous registrant piggybacks on the reputation of another to make wrongful gains to himself and cause wrongful losses to the original legitimate owner.<sup>19</sup> A Domain name that corresponds to a well known trademark might be used to dilute or tarnish the trade mark, by including material, such as pornographic or other offensive material, on a website to which the domain name resolves. Moreover, the domain name can be used to redirect Internet Users, to other online locations such as the websites of competitors of the trade mark owner.<sup>20</sup> Most of the true abusive registration cases involve someone who registers a name in the hopes of extorting money from the trademark owner, or to harass them, or to injure their business.<sup>21</sup>

Apart from ‘classical cybersquatting’, other forms of opportunistic practices relating to domain names may be grouped into two main categories: those that harm the interests of the owners of real world identifiers, such as trade mark owners; and those in which the domain name registrant attempts to ‘free ride’ on the hard earned reputation of the trade mark owner.<sup>22</sup> Use of trade mark over the internet by an unscrupulous person shall result into passing off of the trade mark as well as the users may start associating the trade mark with the said domain name, unjustly registered which may further cause harm to the trade mark holder. Once Internet users are

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Issues, Report of the WIPO Internet Domain Name Process (30 Apr 1999), <http://www.icann.org/amc/en/processes/process1/report/> (last visited on Apr. 21, 2022).

<sup>13</sup> Dipak Rao et. al., *Domain Name Squatting in India*, (Apr. 22, 2022, 11:20 AM), <https://singhanian.in/domain-name-cyber-squatting/>

<sup>14</sup> Dipak Rao, *supra* note 13.

<sup>15</sup> DAVID LINDSAY, *supra* note 3, at 489.

<sup>16</sup> NANDAN KAMATH, *supra* note 5, at 120.

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<sup>17</sup> WIPO ARBITRATION AND MEDIATION CENTER, Guide to WIPO Domain Name Dispute Resolution (2004), [https://www.wipo.int/freepublications/en/arbitration/892/wipo\\_pub\\_892.pdf](https://www.wipo.int/freepublications/en/arbitration/892/wipo_pub_892.pdf). (last visited Apr.23, 2022).

<sup>18</sup> *Interstellar Starship Services Ltd v. Epix, Inc.*, 304 F.3d 936, 946 (9th Cir, 2002).

<sup>19</sup> *Harrods Ltd v. Sixty Internet Domain Names.*, 302 F.3d 214, 238 (4<sup>th</sup> Cir, 2002).

<sup>20</sup> Eddie Hurte, *The International Domain Name Classification Debate: Are Domain Names 'Virtual Property', Intellectual Property, Property, or Not Property at All?*, 42 COMP. AND INT'L L.J. S. AFR. 288, 290-291 (2009).

<sup>21</sup> *Davidoff & Cie SA v. Dario Muriel*, NAF Case no. FA129124 (30 Jan 2003).

<sup>22</sup> Hasan A. Deveci, *Domain Names: Has Trade Mark Law Strayed From Its Path?*, 11 IJLIT.203, 211(2003).



attracted by the domain name, the rights of the trade mark holder can be violated and reputation can be tarnished with the content hosted over the said domain name.<sup>23</sup>

In addition to practices directed mainly at harming the owners of real world identifiers, a domain name that corresponds to a real world identifier may be registered and used to 'free ride' off the goodwill or reputation of the owner of the real world identifier. For example, the goodwill in a trade mark may attract users to the domain name registrant's own website, which may include commercial content. The content may include products or services that compete with those of the trade mark owner, or unrelated commercial products or services. Moreover, the domain name registrant may 'free ride' on the goodwill or reputation of the owner of the real world identifier by attracting Internet users, then redirecting them to other online locations.<sup>24</sup>

Apart from Cybersquatting, there are various other unlawful activities that are carried out by the cybersquatters. Some of such activities are Typosquatting, Identity Theft, Name Jacking, and Reverse Cybersquatting.

Typosquatting is an act where the typosquatter makes a willful mistake and mis-spell the well known domain name and get the same registered. The bonafide internet users while browsing may fall prey to this willful act of the typosquatter and can land into a fake website by getting deceived. This act is also called as URL Hijacking.<sup>25</sup> In order to mislead the general public, the typosquatters create a deceptive website having a deceptive layout, combination of colours, logos, copyrighted content etc.<sup>26</sup>

Identity Theft, on the other hand is a form of cyber crime wherein the cyber criminal steals the identity of a person to mislead other persons. Similarly, in the domain name world, cybersquatter while using a computer software, constantly track the deadlines regarding the expiry of the validity of the domain name. Once the domain name gets expire, the cyber criminals

register the said domain name in their names and create a duplicate website in order to defraud general public and cause harm to the original proprietor.<sup>27</sup>

Name Jacking, as the name suggests refers to an act where the name of a famous celebrity is registered as a Domain Name by an uninterested person with the malafide intent to gain by redirecting the followers of the celebrity to a fake website. In the US, the Anti Cybersquatting Consumer Protection Act does not covers the Act of Name Jacking as in the US names cannot be registered as a trade mark.<sup>28</sup> Registration of a domain name madonna.com can be a suitable example of the act of Name Jacking. Madonna successfully prosecuted the complaint filed by her before the UDRP for cancellation / transfer of the said domain name.<sup>29</sup>

Reverse Cybersquatting is regarded an act of abusing the Uniform Domain Name Dispute Resolution Policy. In Reverse Cybersquatting, the complaint for transfer / cancellation of the domain name is filed by the cybersquatter himself against the rightful owner, with an endeavor to establish that the respondent had wrongfully got the domain name registered in his name.<sup>30</sup>

#### 4.COMBATTING CYBER SQUATTING – ROLE OF ICANN'S UDRP

##### 4.1NSI Dispute Resolution Policy

First, rudimentary policy for settling domain name disputes was developed by Network Solutions, Inc. (NSI). In the mid 1990s, NSI was discharging the functions of registration of all gTLDs as well as the functions of the registrar. As trade mark domain name conflicts emerged, NSI presented an obvious target for litigation. In 1994 the owner of the registered trademark 'knowledgenet' commenced an action against the holder of the domain name <knowledgenet.com>, which joined NSI as a defendant. Although the litigation was subsequently settled. In order to protect itself from getting impleaded in future litigations, NSI

<sup>23</sup> DAVID LINDSAY, *supra* note 3, at 110.

<sup>24</sup> *Id.* at 111.

<sup>25</sup> Shields v. Zuccarini, 254 F.3d 476, 483 (3d Cir. 2001).

<sup>26</sup> Jane Dervy, *What is Typosquatting (and how to prevent it)*, CYBERSECURITY INSIDERS (Apr. 22, 2022, 8:00PM), <https://www.cybersecurity-insiders.com/what-is-typosquatting-and-how-to-prevent-it/>.

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<sup>27</sup> NANDAN KAMATH, *supra* note 5, at 49.

<sup>28</sup> The Lanham Act, 15 U.S.C. §§ 1051.

<sup>29</sup> Madonna v. Dan Parisi and "Madonna.com", Case No. D2000-0847 available at <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0847.html>.

<sup>30</sup> Orion Armon, *Is This as Good as It Gets? An Appraisal of ICANN's Uniform Domain Name Dispute Resolution Policy (UDRP) Three Years after Implementation*, 22 REV. LITIG. 99,102-103 (2003).

decided to develop its own dispute resolution policy for combating the domain name disputes.<sup>31</sup>

Under NSI's Domain Name Dispute Resolution Policy Statement, issued in July, 1995, each domain name registrant was contractually required to represent and undertake its bonafide interest in the domain name and also that the proposed domain name did not infringe any third party intellectual property rights. Although NSI's policy was designed to protect it from Litigation, it did not have this effect as a number of registrants of domain names suspended pursuant to the policy initiation actions against NSI.<sup>32</sup>

## 4.2 Role of The WIPO

### 4.2.1 The WIPO First Process Report

WIPO produced an Interim Report in December, 1998 with the recommendation regarding requirement of a novel process to resolve domain name disputes globally.<sup>33</sup> WIPO also recommended that all the domain name registrants shall be contractually bound to abide by and submit to the Dispute Resolution Process. Initially, the interim report recommended that the dispute resolution process shall cover all type of IPRs including, copyright, personality rights and trade marks.

After a further period of consultation following the publication of the Interim Report, Final Report was issued by WIPO in April, 1999.<sup>34</sup> In the final report, the WIPO retained the recommendation of the interim report regarding the contractual obligation of all the registrants to be covered within the scope of the uniform dispute resolution policy. As per the final report, the scope of the dispute resolution process was narrowed down as compared to the interim report, in the sense that it was recommended that the dispute resolution policy shall govern only the cases where it is established that the respondent has carried out a deliberate, bad faith, abusive registration of trademark as domain name. Accordingly, it was

recommended that locus standi for filing the complaints shall be limited only to the trade mark holders.

The final report also recommended that the remedies for the complainant shall be limited only to transfer or cancelation of domain name and incidental costs. Damages and loss of profit was recommended to be placed out of the purview of the dispute resolution process.

As per the final report, abusive registration was defined in the following words:<sup>35</sup>

“The registration of a domain name shall be considered to be abusive when all the following conditions are met:

1. The domain name is identical or misleadingly similar to a trade or service mark in which the complainant has rights; and
2. The holder of the domain name has no rights or legitimate interests in respect of the domain name; and
3. The domain name has been registered and is used in bad faith.”<sup>36</sup>

With regard to the application of legal principles developed under domestic laws, the Final report recommended for granting discretion to the Panelist to decide the choice of law and language of the proceedings.<sup>37</sup>

## 4.3 ICANN's adoption of WIPO Recommendations

At its May, 1999 board meeting the ICANN signified towards adoption of a process for domain name dispute settlement. On 29<sup>th</sup> September, 1999 a draft statement of dispute resolution policy and a draft set of rules of procedure were posted on the ICANN website for public comments.<sup>38</sup> ICANN received a considerable number of comments on draft documents. One area of contention was the recommendation regarding definition of “Abusive registration” in the draft policy. In particular, trademark interests were concerned that the

<sup>31</sup> Network Solutions, Inc, Domain Dispute Resolution Policy Statement (July 1995), subsequently updated and revised three times: Domain Dispute Resolution Policy Statement (Revision 03, 25 Feb 1998).

<sup>32</sup> Network Solutions, Inc v Clue Computing Civ. No.96-D-1530 (D Colo, 21 June 1996)

<sup>33</sup> WIPO, The Management of Internet Names and Addresses: Intellectual Property Issues, Interim Report of the WIPO Internet Domain Name Process (23 December 1998), available at [https://www.wipo.int/amc/en/processes/process1/rf/3/interim2\\_ch1.html](https://www.wipo.int/amc/en/processes/process1/rf/3/interim2_ch1.html)

<sup>34</sup> WIPO, *supra* note 13.

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<sup>35</sup> *Id.*

<sup>36</sup> Simon, David A., *An Empirical Analysis of Fair Use Decisions under the Uniform Domain-Name Dispute-Resolution Policy*, 53 BCLR (2012), <https://ssrn.com/abstract=1887888>.

<sup>37</sup> National Telecommunications and Information Administration (NTIA), Management of Internet Names and Addresses 63Fed Reg 31,741 (1998).

<sup>38</sup> AM Froomkin, *ICANN's "Uniform Dispute Resolution Policy" – Causes and (Partial) Cures*, 67 BROOKLYN LAW REVIEW 605, 655 – 656 (2002).

definition of bad faith required both registration and use of domain name in bad faith. The trademark owners represented that the policy would not apply to practices known as “passive warehousing”, in which multiple domain names would get registered but not used.<sup>39</sup> Other argues that applying policy to merely registration would result in expansion of trademark law, which conventionally requires some commercial use for their to be an infringement. The drafting committee established by ICANN was unable to agree on the issue, which was eventually resolved by deciding to retain the requirement of bad faith registration and use.<sup>40</sup>

ICANN is regarded as having formally adopted the following two policies on 26<sup>th</sup> August, 1999.

- Uniform Domain Name Dispute Resolution Policy (The UDRP)<sup>41</sup>

- Rules for Uniform Domain Name Dispute Resolution Policy (The UDRP Rules)<sup>42</sup>

Subsequently, on 29<sup>th</sup> November, 1999, WIPO was approved as a first dispute resolution service provider.<sup>43</sup>

#### 4.4 The Uniform Domain Name Dispute Resolution Policy (UDRP)

##### 4.4.1 Abusive & Bad Faith Registration

Para 4(a) of the UDRP provides for the three elements defining the abusive, bad faith registration of domain names. Para 4(a) mandates that, in order to establish a case for transfer / cancellation of domain name against the respondent, the complainant is required to prove all the three elements.

- the domain name “is identical or confusingly similar to a trademark or service mark in which the complainant has rights”.
- the domain name holder has “no rights or legitimate interests in respect of the domain name”.
- the domain name “has been registered and is being used in bad faith”.

<sup>39</sup>AM Froomkin *supra* note 38.

<sup>40</sup>*Id.*

<sup>41</sup>Uniform Domain Name Dispute Resolution Policy, adopted on August 26, 1999, <https://www.icann.org/resources/pages/policy-2012-02-25-en> (last visited Apr. 24, 2022)

<sup>42</sup>Rules for Uniform Domain Name Dispute Resolution Policy, adopted on August 26, 1999 revised on September 28, 2013, <https://www.icann.org/resources/pages/udrp-rules-2015-03-11-en> (last visited Apr. 24, 2022)

<sup>43</sup>WIPO ARBITRATION AND MEDIATION CENTER, *supra* note 18.

During the ICANN’s review of the WIPO recommendations, trademark holders contended that the language of the third element above should be redrafted to apply to bad faith registration or use, so as not to require the complainant to establish bad faith registration and use. However, this suggested modification was rejected by ICANN. Para 4(b) of the UDRP provides for the circumstances that will entail abusive and bad faith registration bad faith registration which is as follows:

- Any act or intention of the domain name registrant which establishes that the domain name was primarily registered with the intention to sell, rent or transfer the domain name for exorbitant prices to the legitimate owner of the trademark or to any competitor.<sup>44</sup>

The first circumstance captures the clearest instance of what might be called ‘classic’ cybersquatting.

- The domain name has been registered with the intention to prevent the actual legitimate trademark proprietor to mark its presence over the cyberspace with the domain name corresponding to his trademark.<sup>45</sup>

This circumstance was included to deal with the concerns of trademark owners that cybersquatters would react to a prohibition on actively attempting to offer the domain names at one hand and passively waiting for the trademark owners to make offers to purchase the names.

- Registration of domain name has been done primarily with the malafide intention of disrupting competitor’s business.<sup>46</sup>

The third circumstance differs from the other three circumstances that it is aimed at preventing a form of ‘unfair competition’ rather than protecting trademarks.

- The domain name registrant got the domain name registered with the intention to use the same for attracting the customers to may unlawful commercial gains by creating a likelihood of confusion and by deceiving the Internet users.<sup>47</sup>

The fourth circumstance enumerated above is different from the other 3 circumstances as the first three circumstances dealt with the situation of

<sup>44</sup>UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY, *supra* note 41.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

registration of domain names whereas the fourth deals with the use of the domain names for causing deception. The fourth circumstance therefore makes it abundantly clear that use of a trade mark as a domain name for the purpose of commercial gain by attracting unsuspecting internet users to a website or online is a prohibited activity.<sup>48</sup>

#### 4.4.2 Precedential value of Panel Decisions

The UDRP does not implement a formal doctrine of stare decisis, meaning that UDRP panelists are neither strictly bound to follow previous UDRP panels, nor formally bound to treat previous panel decisions as persuasive. As the panelist pointed in *Tata Sons Limited v. Hasmukh Solanki*<sup>49</sup>, The Uniform Policy and the Uniform Rules do not provide that an Administrative Panel is bound by or required to follow precedents.<sup>50</sup>

In this respect the WIPO final report stated:

“While it is desirable that the use of the administrative procedure should lead to the construction of a body of consistent principles that may provide guidance for the future, the determinations of the procedures should not have (and cannot have) the effect of binding precedent in national courts. It would be up to the courts of each country to determine what weight they wish to attach to determinations made under the procedure.”

The approach adopted by the UDRP panelists to the precedential value of previous decisions involves balancing two main considerations. On the one hand, given the truncated, expedited nature of the procedure, in which panelists are required to reach decisions based on limited evidence within demanding time constraints, a strict doctrine of precedent cannot be applied. On the other hand, however, basic principles of fairness, requiring that ‘like cases- should be decided alike’. Mean that a degree of consistency is highly desirable in UDRP decision making.<sup>51</sup>

To ensure the fairness, legitimacy and efficiency of decision making, UDRP panelists have adopted a recognizable form of judicial reasoning in which previous decisions are cited, and panelists distinguish the reasoning of a previous decision where there is a disagreement about the approach

to be adopted.<sup>52</sup> In other words, UDRP panelists display a high degree of comity with respect to decision of other panelists that, especially where there is a consensus view on a particular matter, approaches and informal doctrine of precedent.<sup>53</sup>

In *Howard Jarvis Tax Payers Association v. Paul McCauley*,<sup>54</sup> the panelists analyzed the precedential value of the UDRP decisions in the course of considering one of the most difficult and divisive issues to arise under the UDRP: whether the respondent can have a legitimate interest in a domain name that is identical to the complainant’s trademark where the domain name is used solely for bonafide, non-commercial criticism. Referring to the division among UDRP Panel on the issue the panelist stated:

“Disagreement of this type between the panels creates a challenge for parties, panelists and providers. Parties in UDRP proceedings are entitled to know that, where the facts of two cases are materially indistinguishable, the complaints and responses will be evaluated in a consistent manner regardless of the identity of the panelist; this goal is undermined when different panel’s can be expected to rule differently on the same type of facts. Panelists, too, are disadvantaged by these disagreements; they would be able to more efficiently evaluate cases and draft decisions if they knew that they could rely on shared, consistent set of UDRP principles. If such consistency could be achieved it would assist providers, who could assign panelists to cases without any concern that panelist choice may itself inject bias into the system and would encourage more cost effective decision as parties could rely on a single panelist rather than having to request a three member panel in order to ensure balance.”

#### 5. EMPIRICAL ANALYSIS OF CASES DECIDED BY THE UDRP

The following chart<sup>55</sup> depicts the year wise statistics of the Domain Name Disputes filed under the UDRP. From the inception of the Dispute Settlement body till 24<sup>th</sup> April, 2022, a total of 57,329 cases have been filed before the UDRP, with most filings taking place in the year 2021, i.e., 5128 cases. From the perusal of the

<sup>48</sup> DAVID LINDSAY, *supra* note 3.

<sup>49</sup> WIPO Case no. D2001-0974 (25 Sept 2001)

<sup>50</sup> *Id.*

<sup>51</sup> R. CROSS ET. AL., PRECEDENT IN ENGLISH LAW, 110 (Oxford University Press 1991).

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<sup>52</sup> DAVID LINDSAY, *supra* note 3, at 502-503.

<sup>53</sup> *Id.*

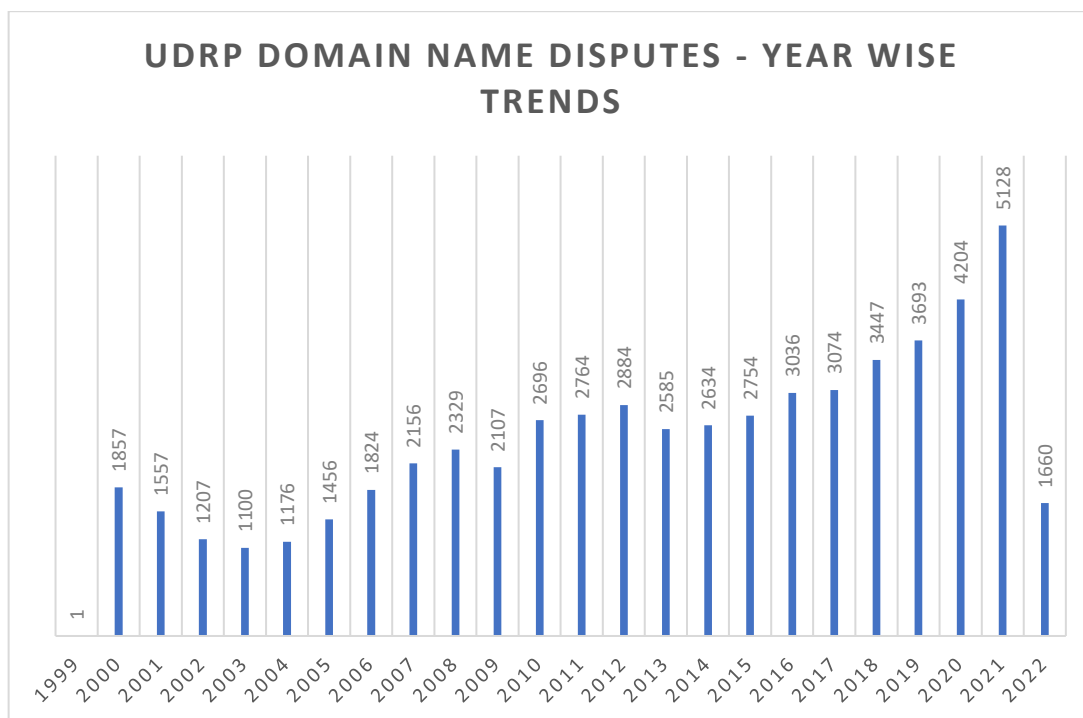
<sup>54</sup> WIPO Case no. D2004-0014 (22 Apr 2004)

<sup>55</sup> UDRP Domain Name Disputes – Year Wise Statistics, available at <https://www.wipo.int/amc/en/domains/statistics/cases.js>



year wise statistics, it appears that record of total number of filings done in 2021 would soon be outnumbered, by the end of 2022. As it can be seen that just in first four months, 1660 cases have already been filed before the UDRP and

considering the rapid growth in e-commerce activities and the Cyberspace, unscrupulous opportunists shall leave no stone unturned to take unfair advantage of the system lapses.



### 5.1 Limited Remedies under UDRP

The WIPO final report stated that, given the limited objectives of the Policy “it seems appropriate that the remedies that could be avoided by the neutral decision maker be limited to the status of the domain name registration itself and action in respect of that registration. In other words, monetary damages to compensate for any loss or injury incurred by the owner of an intellectual property as a result of domain name registration should not be available under the procedure. Such a restrictive approach to remedies would underline the nature of the procedure as an administrative one, directed at the efficient administration of the domain name system, which intended to be complimentary to the other existing mechanisms, whether arbitration or court procedure”.<sup>56</sup>

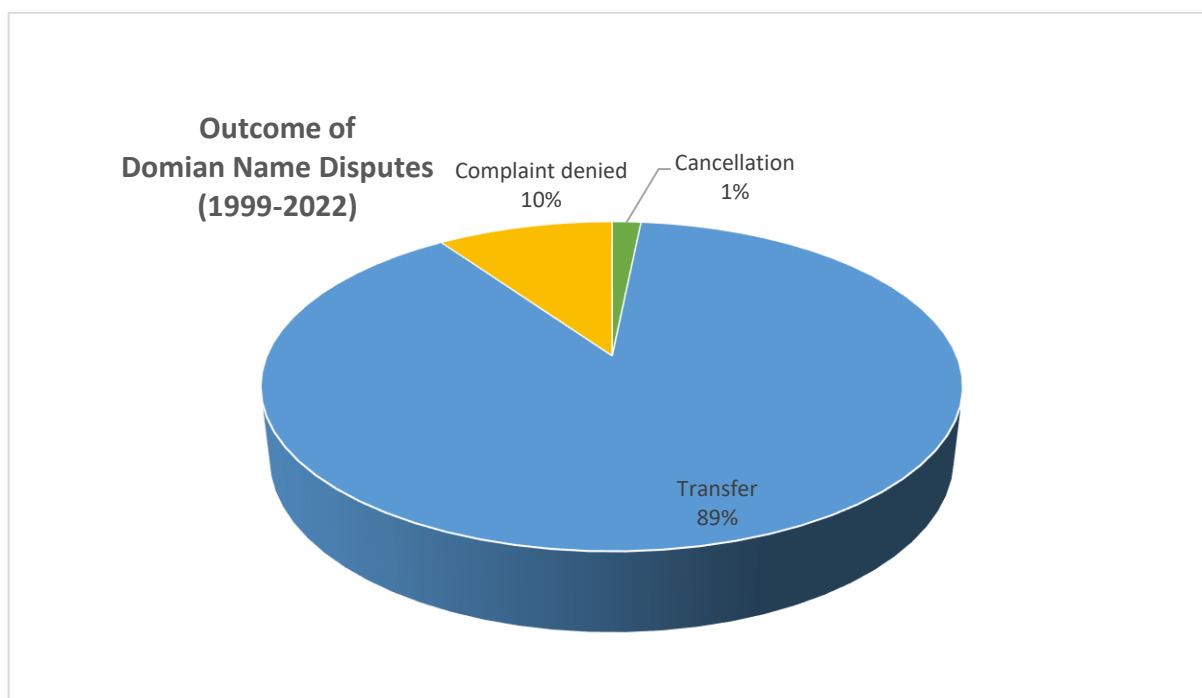
Accordingly, under para 4(i) of the UDRP the limited remedies to the extent of cancellation and transfer of the impugned domain name are only available for the Complainant.

Out of total of 57,329 proceedings filed before UDRP till 24<sup>th</sup> April, 2022, 44940 cases stands decided and 12389 cases are in progress. Out of

the decided 44940 cases, 40598 cases have been decided in favour of the complainant whereas in 4342 cases, the complaint has been dismissed by the UDRP Panelists. Out of the total decided cases, in 39887 cases, the UDRP Panelists have directed the Respondent to transfer the impugned domain name in favour of the Complainant and in remaining 711 cases, the impugned domain names have been directed to be cancelled by the UDRP Panelists. Following Pie Chart<sup>57</sup> depicts the summary of the decided cases.

<sup>56</sup> WIPO, *supra* note 13.

<sup>57</sup> Outcome of the UDRP Domain Name Disputes, available at [https://www.wipo.int/amc/en/domains/statistics/decision\\_rate.jsp?year=](https://www.wipo.int/amc/en/domains/statistics/decision_rate.jsp?year=)



## 6. CONCLUSION

On one hand the evolution of cyber space has provided great benefits to the society. But on the other hand this evolution has created many unexpected pitfalls.<sup>58</sup> The growth of e-commerce has resulted in many complex intellectual property issues like cyber-squatting, domain name disputes, passing off and dilution of trademark in cyber space.<sup>59</sup> Part 3 of the Research Paper explains the legal issues that surround the domain name system and elaborates the menace of Cybersquatting and associated activities. Part 4 of the Paper examines the Role of the WIPO and ICANN's UDRP in combating Domain Name Disputes. The Part specifically touch upon the foundation of the UDRP, and has reference to the WIPO Final report to establish the idea behind the formation of the UDRP Policy and allied Rules. Part 5 of the Paper provides specific insights about the Empirical Analysis of the 57,329 proceedings dealt by various Panelists of the UDRP. Initially in the Mid -1990s, the framers of the Dispute Resolution Policy presumed that adopting a Uniform policy for domain name dispute resolution shall help in minimizing the domain name disputes and the policy shall act as a deterrence for the unscrupulous cybersquatters who abusively register the domain name with bad faith to cause wrongful gains to themselves and wrongful losses to the rightful trademark holders. However, the empirical analysis crystalizes that the cybersquatters in no manner find any

deterrence in the UDRP, which is cogent from the fact that since 1999 till April, 2022, the number of domain name disputes is increasing year by year. It is to be noted that since the inception of UDRP in the year 1999, the most number of Domain Name Disputes in a single year has been 5128 disputes, which were filed in the year 2021. Further, it is not wrong to suggest that the said figure for 2021 shall soon get out numbered by the data of 2022, particularly when at the end of the first quarter of 2021, the number of disputes filed is found to be 1660 cases.

<sup>58</sup> Mayuri Patel et. al., *Trademark Issues in Digital Era*, 13 JIPR, 118-128 (2008).

<sup>59</sup> MILTON MUELLER, *supra* note 11 at 152.

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