

The ICANN GNSO “Business Constituency”



Comments of the ICANN Business Constituency on the Policy Status Report for the Uniform Domain Name Dispute Resolution Policy

19-Apr-2022

This document contains the input of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the BC is to ensure that ICANN policy positions are consistent with the development of an Internet that:

- Promotes end-user confidence because it is a safe place to conduct business;
- Is competitive in the supply of registry and registrar and related services; and
- Is technically stable, secure and reliable.

The BC is pleased to comment on the Policy Status Report (Status Report) for the Uniform Domain Name Dispute Resolution Policy (UDRP).

Introduction

The BC maintains its strong general support of the UDRP, which remains the single most important enforcement tool brand owners have to protect their rights in the DNS. As acknowledged in the Final GNSO Issue Report on the Current State of the UDRP (“Final Issue Report”)¹, “the UDRP has won international respect as an expedient alternative to judicial options for resolving trademark disputes arising across multiple national jurisdictions.” It “is widely recognized as effective because it is much faster than traditional litigation”, and it “reflects the collective wisdom developed by providers, panelists, complainants, and respondents, as reflected in the large body of published decisions, commentaries, and other educational materials maintained by providers for the benefit of the public.” In sum, “the Internet community has come to rely on the transparency, predictability, and consistency associated with the UDRP.”²

¹ See https://gns0.icann.org/sites/default/files/filefield_27051/udrp-final-issue-report-03oct11-en.pdf

² *Id.*

Nevertheless, after 23 years of experience with the UDRP without any formal ICANN review or amendment of the Policy, there is an opportunity to explore whether there are potential improvements that should be made, provided they do not detract from the current effectiveness of the UDRP.

The BC has consistently advocated for certain improvements to the UDRP that would not detract from its overall effectiveness. For example, as set forth in the BC's public comments on the Preliminary GNSO Issue Report on the Current State of the UDRP, the BC's position was that certain "*administrative improvements or standardization of procedures*" should be examined by a group of experts to focus on the process improvements of greatest importance.³

The BC also stated therein that it advocated for the development of "standardized accreditation processes and agreements for all UDRP providers". This position was reiterated in our letter dated September 18, 2013⁴ wherein we noted that it has been the BC's position since 2010 that ICANN should implement "a standard mechanism for establishing uniform rules and procedures and flexible means of delineating and enforcing arbitration provider responsibilities".

We also urged ICANN to pursue uniform and enforceable standards in the context of accrediting new UDRP Providers⁵:

"[T]he BC continues to urge the ICANN Board to instruct ICANN staff to expeditiously develop improved standards for the approval of UDRP providers, as well as uniform and enforceable standards governing the administration of UDRP cases by providers."

Accordingly, the BC maintains its position that despite the UDRP continuing to be an effective rights protection mechanism, it is desirable that certain focused improvements be pursued in light of 23 years of experience which would not detract from its effectiveness.

The BC also strongly believes that Phase 1 of the RPMs PDP should not serve as a model for Phase 2. Phase 1 had an overly broad scope that was inadequately supported by data and research. The result was a long and contentious experience that frustrated efforts at collaboration, even after disruptions were no longer an issue.

An effective Phase 2 should have the following features for it to be successful:

1. Participants should be experts. By experts, we mean individuals who have extensive personal and practical knowledge of the UDRP through direct personal involvement as parties, party representatives, panelists, policy makers, academics, and dispute resolution providers.

³ https://www.icannbc.org/assets/docs/positions-statements/bc_on_udrp_issues_report_july_2011.pdf

⁴ 2013 letter to Fadi and Crocker

⁵ <http://forum.icann.org/lists/comments-acdr-proposal-01mar13/pdf7ZdKLP0o82.pdf>

2. Experts should not just be drawn from within the ranks of ICANN constituencies since the UDRP lives largely outside of ICANN. While ICANN constituencies do have members with UDRP expertise, UDRP expertise is also found outside of these constituencies and accordingly select experts should be invited based upon their qualifications and the interests that they represent.
3. The UDRP should continue to serve as a balanced tool that protects trademark rights and mitigates cybersquatting while maintaining the due process rights of registrants.
4. Participants must be prepared to problem solve, not just advocate for particular positions. This requires collegiality, compromise, and empathy to all concerns. Phase 2 should not be merely a staging ground for ardent advocacy and maximalist positions.
5. The scope must be limited. The scope should be defined by experts who agree what is reasonably achievable through the Phase 2 process, and this agreement should take place *before* Phase 2 is even commenced. This is the way of avoiding a repeat of Phase 1. Scoping within the context of the UDRP is something that the experts must participate in. Indeed, arguably the scoping is the most crucial part of Phase 2 itself.

Most importantly perhaps, by taking an iterative approach where the work settles on looking only towards improvements that are likely capable of earning consensus support, we hope that the UDRP can be successfully maintained and even improved for all concerned.

With these precepts in mind, Phase 2 should take no longer than a year at most and is achievable within six months with a motivated team of experts that has completed the preparatory work of limiting the scope of the review, beforehand.

General Comments

ICANN should seek expert advice from WIPO

The BC believes that WIPO is uniquely positioned to provide expert advice in the course of conducting the UDRP review. We note that WIPO is the organization that administered the original Management of Internet Names and Addresses: Intellectual Property Issues (“WIPO Process”) from which the UDRP was developed.⁶ Accordingly, the BC strongly recommends that WIPO continue to serve similar roles in assisting ICANN further to Section 13.1. of ICANN’s Bylaws.⁷

The UDRP remains necessary

The Status Report “Summary of Findings” notes that there has been an average growth rate of six percent per year [in UDRP Complaints filed] since 2014 amounting to about 300 additional cases per provider on average per year. While not a huge increase, particularly considering that since 2013 there have been an additional nearly 100 million domain names registered across all TLDs⁸, complainants and

⁶ <https://www.wipo.int/amc/en/processes/process1/report/finalreport.html>

⁷ <https://www.icann.org/resources/pages/governance/bylaws-en/#article13>

⁸ https://www.verisign.com/en_US/domain-names/dnib/index.xhtml

respondents have generally come to rely upon the UDRP for the continued resolution of their domain name disputes, and in particular, trademark owners continue to appreciate the expedited and relatively low-cost nature of the UDRP.

RDNH serves as a deterrent

The Status Report recognized that Reverse Domain Name Hijacking (RDNH), while statistically a fraction of cases, has gone up. This demonstrates two things: First, it demonstrates that more UDRP Panels are sanctioning bad faith Complainants, which importantly shows integrity in the decision-making process, which is a good thing. Second, it demonstrates that good faith Respondents are subjected to bad faith Complaints on occasion. Nevertheless, abusive use of the UDRP by Complainants remains at relatively minimal levels, only representing roughly one percent of all total UDRP decisions.

The BC believes in maintaining the RDNH claim as a means of deterring bad faith complaints, though as noted previously, the actual percentage of such complaints is extremely low. However, the BC wishes to point out numerous additional backstops and disincentives that exist against bad faith complaints. *First* is the Respondent's ability to defend itself by filing a Response and alleging RDNH. *Second* is the Respondent's ability, at any time, to file a claim against the Complainant in a court of competent jurisdiction. *Third* is the ten business day window following any successful UDRP for Respondents to file claims against the Complainant in a court of competent jurisdiction. *Fourth* is the significant reputational damage to the Complainant and Complainant's counsel that results from an RDNH determination. *Fifth*, and most importantly, is the explicit prohibition against RDNH in certain cybersquatting laws like the ACPA, which allow Respondents to recover actual damages and attorneys' fees up to USD \$100,000.⁹ It should therefore be acknowledged that these elements are part of a comprehensive set of factors that protect the rights of respondents.

ICANN can better qualify critical viewpoints

The Status Report cites the Final GNSO Issue Report on the Current State of the UDRP ("Final Issue Report") numerous times.¹⁰ The BC maintains its strong support of the Final Issue Report and its strong endorsement of the UDRP, and the BC urges ICANN not to press the reset button on all of the hard work and community effort that went into the Final Issue Report. The Final Issues Report does an admirable job of setting out the various viewpoints on the UDRP and it is clear that the community consensus is not to unnecessarily tinker with it, and rather to focus on discrete specific aspects which do not destabilize the UDRP or the body of associated case law.

While the Status Report makes a number of suggestions for improvements, such as "the UDRP Rules should address forum shopping, should consider panel appointment rules ... and address bias issues" and "Respondents should be given more time to respond to [a] Complaint," the BC believes it is critical that such viewpoints be given consideration along with other potential improvements supported by the

⁹ See https://circleid.com/posts/20181213_the_hidden_perils_of_filing_a_baseless_udrp_complaint

¹⁰ See https://gns0.icann.org/sites/default/files/filefield_27051/udrp-final-issue-report-03oct11-en.pdf

BC that are outlined in greater detail below. However, it is important to recognize that the Final Issues Report is replete with quotes and perspectives from providers, panelists, complainants, and counsel for respondents which express universal support for the UDRP. Thus, the BC believes that the Status Report should recognize that despite possible opportunities for improvement, overwhelmingly stakeholders believe that the UDRP admirably performs an important function and is effective.

Comments On Efficiency.

The data does not tell the whole story

The BC believes that the efficiency data in the Status Report does not tell the whole story. Currently, efficiency data appears limited to UDRP filing costs and the duration of UDRP cases. ICANN's focus on UDRP filing costs does not capture actual total costs to Complainants. It fails to take into account attorneys' fees, private investigator fees, and/or online brand enforcement service fees. ICANN may wish to poll Complainants and Complainant's counsel and/or refer to the most recent AIPLA Report of the Economic Survey for better total UDRP cost estimates.¹¹

In addition, the BC believes that to truly examine the efficiency of the UDRP as an abuse-mitigation remedy, ICANN should gather data on the total instances of cybersquatting overall, and not simply the number of instances escalated to a UDRP. The WIPO Process is instructive on this issue because it began by gathering input from trademark owners on the prevalence of cybersquatting.¹²

By the same token, the data included in the Status Report does not adequately convey the costs and difficulties that lawful registrants face when meritless Complaints, even if a relatively small number, are brought. Some of the cases that are won by Respondents in the UDRP are cases involving highly valuable investment-grade domain names, such as dictionary words, acronyms, and descriptive terms.

When it comes to efficiency, the data provided regarding duration of UDRP cases does not provide the full picture either. Parties - both Complainants and good faith Respondents - have an important interest in the quick adjudication of the dispute. Complainants want quick resolution so that the cybersquatting is resolved. Good faith Respondents want quick resolution so that their valuable domain name is unlocked after having been locked during the pendency of the UDRP. A UDRP procedure can take anywhere from one to three months. Any policy review should consider whether there is a way to expedite certain types of UDRP cases, perhaps for example those that are undefended and obvious, which could also release any bottlenecks for other defended and more complex cases.

¹¹ See <https://www.aipla.org/home/news-publications/economic-survey>

¹² See <https://www.wipo.int/amc/en/processes/process1/report/finalreport.html> (Specifically quoting companies who "are encountering the same kind of volume that others are encountering that is cases in the volume of 15 to 20 per month" or "several hundred Internet domain names").

Case consolidation is critical to ensuring efficiency.

The BC believes that a greater emphasis on case consolidation is integral to assuring the efficiency of the UDRP. The Status Report acknowledges the view that “the UDRP is inefficient ‘because complainants have no means of identifying all of the domain names owned by a single registrant, which leads to the need to file additional complaints and incur additional expenses.’” The BC fully supports this position. This is a serious concern for Complainants and a solution should be explored to address this problem.

The WIPO Process clearly demonstrates that the UDRP was formulated in part to rely on consolidation through reverse Whois searches.¹³ As reverse Whois searches are no longer feasible in many instances, the BC believes that corresponding changes to the UDRP should be examined to maintain consolidation as a key driver of efficiency.

Comments on fairness

The UDRP is generally fair

The BC believes that the UDRP policy itself has withstood the test of time. The UDRP provides adequate certain safeguards for both complainants and respondents, including clear fair use provisions and safe harbors, as addressed in Paragraphs 4(a)(ii) and 4(c) of the Policy. The BC also does not believe that the UDRP contains unfair or disproportionate deadlines. In terms of areas for continued review and improvement, additional stakeholder-driven guidance on the interpretation of the UDRP applicable across all Providers and panelists, similar to the WIPO Jurisprudential Overview, may be of assistance in enhancing consistency and predictability. Other means of addressing consistency and predictability may also be explored.

Lack of forum shopping data.

With respect to forum shopping, data in the Status Report confirms that Complainant success rates remain largely consistent amongst the various dispute resolution providers. Although there is no evidence demonstrating meaningfully different outcomes amongst Providers, the success of the UDRP over the course of 23 years should be protected by; a) formalizing the Provider accreditation process; and b) ensuring there are contractual arrangements in place with Providers, both policies which the BC has long championed.

¹³ See <https://www.wipo.int/amc/en/processes/process1/report/finalreport.html> (“The WIPO Interim Report recommended that the procedural rules provide for the possibility of consolidating, into one procedure, all claims by the same (or affiliated) party in respect of the same domain name holder where the claims relate to the alleged infringement of the same or different intellectual property rights through domain name registrations in any TLD. This recommendation received widespread support, particularly as a means of dealing efficiently with abusive registrations of domain names.”)

Comments on addressing abuse

ICANN can provide better data on addressing abuse.

The BC believes that the data pertaining to addressing abuse in the Status Report can be expanded and improved upon. Currently, data on addressing abuse within the Status Report appears limited to the total number of UDRP cases, the percentage breakdown of panel determinations, and the total number of UDRP-related complaints filed with ICANN contractual compliance. This data does not provide reviewers with a bigger picture understanding of how well the UDRP is mitigating the overall volume of domain-based abuse on the Internet. The BC therefore believes that the total number of reported cases of domain name abuse pertaining to cybersquatting relative to the total number UDRP cases should be examined, in order to determine what further improvements to the UDRP may be considered beneficial.

Certain updates can help the UDRP better scale with and address abuse.

The BC maintains its strong support for the UDRP and believes that maintaining the status quo subject to improvements which do not destabilize the UDRP is sufficient to allow the UDRP to remain an effective tool against cybersquatting.

Conclusion

The BC continues to be a strong supporter of the UDRP as a mechanism to mitigate online abuse. The Status Report has done a good job of laying out the general UDRP framework and environment, though it is not intended to serve as a comprehensive repository for all relevant data and viewpoints. It is imperative that stakeholders do not unnecessarily open up a can of worms with the UDRP through destabilizing changes; rather, they should take a focused and targeted approach, only entertaining improvements and enhancements which stand a reasonable chance of gaining consensus amongst stakeholders, and focus primarily on issues that have emerged since the UDRP was first formulated, such as WHOIS redaction and the launch of the new gTLD program.

This comment was drafted by Andy Abrams, Zak Muscovitch, Marie Pattullo, Vivek Goyal, and John Berard. It was approved in accord with our Charter.