

19 April 2022

Intellectual Property Constituency Comments on the UDRP Policy Status Report

The Intellectual Property Constituency (IPC) welcomes this opportunity to comment on the Policy Status Report: Uniform Domain Name Dispute Resolution Policy (UDRP) (the “PSR”).¹

Introduction

Before commenting on the PSR itself, the IPC notes that the UDRP is a vital and fundamental tool that has a long and proven track record in helping to mitigate consumer confusion and harm, curb abusive domain name registration and use, and contribute to the overall security and stability of the global DNS. The ability for brand owners to use the UDRP to address cybersquatting and related abuses in gTLDs in lieu of going to court has been invaluable, leading to significant savings in resources for brand owners themselves as well as registries and registrars (and frankly, registrants) who otherwise might have been dragged into litigation, and substantially shortening the average time in which disputes can be resolved, to the benefit of all parties.

The UDRP has generally been consistently and predictably applied over the course of its more than 20-year history, and as a result of its success in the gTLD space, has been adopted (including tailored versions) by over 80 ccTLDs for use as their own dispute resolution mechanism. For these reasons, it is critically important that future policy work regarding the UDRP not diminish, dilute, or otherwise undermine its effectiveness. Such policy work should be extremely deferential to and reliant on the input of experts who have actual experience working with and within the UDRP system, and resistant to efforts that would weaken the UDRP system; any such work should be based on facts and evidence of problems in need of a systematic policy-level solution, and not merely to address specific edge cases, differences of opinion, or pet issues.

¹ Available at: <https://itp.cdn.icann.org/en/files/consensus-policy/udrp-policy-status-report-03-03-2022-03-03-2022-en.pdf>.

The IPC is committed to ensuring that the UDRP remains the global standard for DNS dispute resolution it is today, particularly in light of ICANN's intention to continue expanding the DNS through future rounds of new gTLDs, and notably in light of its failure to address changes to the Whois system that have made identifying bad actors and bringing effective and efficient dispute resolution actions against them far more difficult and expensive. Similarly, to address (whack-a-mole) scale and cementing jurisprudential stability, questions of "front-end" (based on notice-and-takedown regulations) and appeals avenues may warrant consideration.

With these introductory remarks in mind, our specific comments on the UDRP PSR are as follows.

IPC Comments on the UDRP PSR

Section	Topic	Comments
1	Introduction	As an overarching matter, we note that the PSR only used data from 2013-2020. It is not clear why the PSR does not consider data prior to 2013, since the UDRP has been in effect since 1999. This seems like a fundamental flaw in the PSR.
1.1	Purpose of UDRP	This section cites the 1999 Final Report of the WIPO Internet Domain Name Process for the position that an overarching goal of the UDRP was "Effectiveness in addressing clear-cut types of cybersquatting, thereby ensuring a more secure Internet." The WIPO Final Report never actually says "clear-cut", which is a term subsequently applied to limit arguments in URS cases. References to clear cases actually address the initial determination to limit the scope of the UDRP to cybersquatting on trademarks, while noting, "After experience has been gained with the operation of the administrative procedure and time has allowed for an assessment of its efficacy and of the problems, if any, which remain outstanding, the question of extending the notion of abusive registration to other intellectual property rights can always be re-visited." In other words, the reference to "clear-cut" cases of cybersquatting in the PDR with respect to the UDRP is misplaced and should be removed as this misrepresents the standard of proof in UDRP cases (which is later in the PSR correctly defined as a preponderance of evidence standard).

Section	Topic	Comments
		<p>In addition, the term “efficiency” is not limited solely to speed and cost effectiveness as this section suggests. Efficiency also necessitates accurate and reliable Whois data; remedies that are simple to implement; use of a single arbitrator; and consolidation of multiple claims against the same or affiliated Respondents. We go into more detail on these points below.</p> <p>The UDRP was intended not only to address, but also deter, abuse. Accordingly, the relevant question is “Has the UDRP effectively <i>deterring</i> and addressed abusive registrations of domain names?” There is little data or discussion in the PSR regarding whether the UDRP has served as a deterrent to abusive registrations in addition to serving as an effective remedial tool.</p> <p>Finally, on the UDRP purpose of “fairness,” it is important to highlight that the UDRP expressly includes provisions taking into account due process and free speech rights, ensuring it is fair and balanced and that the fundamental protections are enshrined in the policy and process. Many critics of the UDRP erroneously suggest that the UDRP does not account for due process or free speech, which is simply incorrect. We discuss these points in more detail below.</p>
1.2	Overview of UDRP	<p>This section states that decisions are implemented within 10 calendar days from the date of determination. The UDRP post-decision waiting period is actually 10 <u>business</u> days. This needs to be corrected here and elsewhere throughout the report where this is incorrectly stated. See UDRP, Section 4(k) (“We will then implement the decision unless we have received from you during that ten (10) <u>business</u> day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit....”) (emphasis added).</p> <p>The PSR also states in this section, “In the event of a determination against the Complainant, no changes are made to the domain name registration data, thus maintaining the status quo (i.e., the situation as at the date the complaint was filed.)” We</p>

Section	Topic	Comments
		would note that in such cases, the domain is also unlocked (releasing it from the registrar lock that was placed at the initiation of the proceeding).
1.3	Impacts of Temp Spec on UDRP	<p>The Temp Spec has made reverse Whois searching to identify other domains owned by the same registrant or affiliated registrants nearly impossible, effectively eviscerating the ability to bring a single UDRP against all infringing domains owned by the same registrant or affiliated registrants. This has had a significant impact on the efficiency and cost effectiveness of the UDRP. These issues should be given additional mention in the PSR. Additional measures are needed to help rectify this issue. Possible fixes might include an obligation for registrars or even registry operators to disclose all other domains owned by a respondent as part of the Whois disclosure step of the UDRP, or changes to public Whois data that re-enable cross-domain correlation. Given the corresponding limitations to identify false or inaccurate Whois data before filing a complaint (which can be a bad faith factor in the UDRP), also consider whether domains should be placed into suspension (under ICANN's existing inaccurate Whois data rules) if the registrar's Whois data disclosure reveals that the Whois data revealed is clearly false. We appreciate that these points will need to be discussed substantively as part of a PDP, but the issues should be flagged in the PSR in relation to the impacts of the Temp Spec on the UDRP.</p>
1.4	UDRP PSR Summary Findings	<p>ICANN's summary of statistical findings is presented in a way that minimizes over the long term the increasing prevalence of cybersquatting. For example, ICANN reports "a slight upward trend, with an average growth rate of 6% per year since 2014." That obfuscates the significant and record-setting 13.8% and 22% increases reported by WIPO alone in 2020 and 2021 respectively. <i>There is no point in looking at an average number of cases across all providers when 2 providers cover nearly all cases filed globally (and some seem to have a handful of cases at best).</i> In addition, RDNH cases are presented as "record-setting" and in a way that lumps together all cases that even mention RDNH, as opposed to cases where RDNH was actually found by the panel. ICANN points to 917 complaints, or 2% of all cases, being RDNH cases, when in actuality the number and percentage are much lower. In 2021, for example, there were a total of less than 50</p>

Section	Topic	Comments
		<p>decisions where RDNH was found. That year WIPO administered over 5,000 cases and the other providers likewise handled in combination thousands of case. So, without counting cases from the FORUM and other providers it is clear the percentage of cases actually finding RDNH is quite low. The current manner in which the data is presented therefore sensationalizes and misrepresents the actual statistics regarding RDNH findings and should be corrected.</p> <p>Further, given the noted rise in UDRP cases, query whether some portion of the increasing number of individual complaints is due to the inability to properly conduct reverse Whois searches to join additional domains in a single proceeding, as discussed above.</p> <p>This section also discusses UDRP costs. It might also be useful to compare the costs of bringing UDRP proceedings (a cost that falls squarely on brand owners and includes filing fees and legal case preparation fees) with some data regarding the costs to respondents, i.e. token registration costs and any costs associated with defending a UDRP action, as well as data on the costs or potential costs of harms that the UDRP has helped to mitigate or remedy (preventing fraud and phishing). These various cost comparisons would help provide a more complete picture of various costs and cost inequities that exist as part of the UDRP ecosystem and the anti-abuse/trademark enforcement ecosystem more broadly.</p>
2	Background and Scope	
2.2	Review of All RPMs PDP	The historical summary here does not reference either the (1) Proposal for An Approach toward Rechartering the Review of All RPMs in All gTLDs PDP Phase 2: Review of the UDRP or (2) the Final Issue Report on the Current of the UDRP. Where these documents are referenced throughout the PSR, they are generally mischaracterized as calling for UDRP reform. In actuality, these documents were glowing endorsements of the UDRP, and only a small but vocal minority made any demands for changes (and even some of

Section	Topic	Comments
		these seem unfounded, e.g., missives to “protect free speech” when fair use is baked into the UDRP itself).
2.3	Applicability of UDRP	UDRP panels have sometimes been faced with the issue of whether a certain dispute is actually within the remit of the UDRP, or whether it raises issues outside the scope of the UDRP that must be dealt with by courts under applicable national law. In such cases, panels must (rightly) deny the complaint even if it would meet the UDRP elements, on the basis of a threshold issue that is outside the scope of the policy. It may be useful to separate out these kinds of cases from other UDRP outcome data, and consider whether there may be a need for different treatment of this category of cases (such as an administrative dismissal rather than a denial of the complaint) so as to not conflate these types of “denials” with cases that are within scope but actually fail to meet the UDRP elements.
2.5	UDRP Procedural Elements	On the issue of consolidation, as noted above, the Temp Spec has made it exceedingly difficult - nearly impossible - to identify other infringing domains tied to the same or related registrants in order to consolidate complaints and not waste resources. This must be rectified in some way through changes to the current UDRP rules and/or Whois data rules, in furtherance of the UDRP goal of efficiency and effectiveness to resolve disputes.

Section	Topic	Comments
2.6	Basic Stages of UDRP Proceedings	As noted above, the Temp Spec has made it nearly impossible to find multiple domains by the same registrant due to a lack of public Whois data. This should be rectified through updates to UDRP and/or Whois policies. We have previously called for use of pseudonymized registrant emails or use of registrant ID numbers to aid in cross-domain correlation, but there may be other methods particularly in the context of a UDRP filing, such as mandatory disclosure of all domains by the same registrant from the registrar or registry operator at the time of verification and Whois data disclosure.
3	UDRP Goal: Efficiency	While the UDRP overall remains an incredibly valuable tool, the Temp Spec has reduced its efficiency because cross-domain correlation has become nearly impossible, as discussed above.
3.3	Schedule of Fees	<p>The PSR discusses ACPA in this section. The new gTLD program reduced the efficacy of the ACPA by increasing the number of domains without a US nexus (in particular, new registries outside the US) and thus not subject to ACPA jurisdiction (i.e., where the registrant, registrar, and registry are all outside the US). This may have had some effect on UDRP filings and may be worth further examination. This is not strictly related to fees, but we mention it here because this is where the PSR mentions the ACPA.</p> <p>With respect to fees, we also note that certain providers offer refunds or partial refunds of filing fees in the event a dispute is settled and withdrawn prior to panel appointment or issuance of a decision. The IPC supports this approach to fee refunds and would encourage all UDRP providers to adopt this approach.</p>
4	UDRP Goal: Fairness	As noted above, most of the fairness-related criticisms levied by a vocal minority in the community that are recounted in the PSR are totally unfounded. There are clear fair use

Section	Topic	Comments
		provisions in the UDRP (e.g., UDRP Section 4(c)(iii)). The PSR cites no evidence that UDRP response deadlines are unfair to registrants. The comments regarding “internet connectivity” are entirely misplaced, as this issue has nothing to do with the policy or ICANN’s role – moreover it completely overlooks that in order to obtain a domain name registration one must be connected to the Internet. The PSR should present a more balanced overview regarding the fairness of the UDRP and provide facts that clarify (and would clearly refute) these unfounded minority positions.
4.1	Forum Shopping	<p>There is no evidence that certain providers are more favorable than others to complainants or respondents. In fact, the data shows that the rate of complainants prevailing is remarkably consistent across all providers. This section fails to note other valid reasons for choosing a certain provider over others, such as fee structure, location/time zone of the provider, etc. none of which have any bearing on substantive outcomes. The PSR also fails to note that respondents control mutual jurisdiction for appeals by their location and selection of registrar.</p> <p>Complainants generally pursue cases they believe are meritorious and they are likely to win such that the rate at which complainants prevail is not based on any kind of purported provider or panel bias. This is simply an unfounded claim, pressed by a vocal minority, and is unduly magnified by dedication of an entire section on the issue in the PSR. The PSR should present a more balanced and accurate picture regarding this issue.</p>
4.2	Selection of Panelists	The PSR cites studies on panel bias from 2000-2002. Such studies are pretty limited in value given the significant number of UDRP cases since then. Further, the conclusion of these studies that 3-member panels favor respondents compared to 1-member panels also does not necessarily point to any bias or causative implications - other than the fact that more contentious or borderline cases are more likely to employ 3 member panels, as chosen by the parties, and thus the outcomes from these cases tend to be more evenly split compared to the general body of decisions where on the whole respondents choose not to defend obvious cases of cybersquatting, i.e., one would expect different case outcomes here. This does not reflect panel bias, and the PSR should present a more

Section	Topic	Comments
		balanced picture regarding this issue. Panel decisions reflect consensus jurisprudence that is fair to both complainants and respondents, and outlier cases are rare and have been addressed by panelists and providers (e.g., the <i>Octogen</i> line of cases has been roundly rejected as is clearly spelled out in the WIPO Overview section 3.8); moreover, very few cases are ever appealed to court.
4.3	RDNH	This section presents views suggesting that the UDRP response period is too short. If the registration is legitimate, it should not be difficult to put together an adequate response and any supporting evidence within the 20-24 day response period. The filings do not need to meet high standards of court filings, and UDRP providers and panelists are generally very accommodating of layman / <i>pro se</i> responses. There is no evidence that providing more time for responses would change default rates or outcomes. The PSR should present a more balanced picture regarding this issue.
5	UDRP Goal: Addressing Abuse	The IPC notes that fraud and phishing - i.e., other forms of abuse other than mere cybersquatting but which also leverage trademark rights - have been on the rise and form a greater percentage of cases today than in 1999. The PSR should reflect some of these trends, as it demonstrates a greater urgency in resolving disputes than in a more traditional cybersquatting case where consumer harm is less immediate. This trend has led to a call from some that the UDRP could be improved to address these other categories of cases on a more expedited basis, since the typical cases take 60 to 90 days to resolve (i.e., the possibility of a more expedited proceeding within the UDRP for cases that fall into this category – perhaps drawing inspiration from the DMCA or by extending the URS to all remaining legacy gTLDs have yet to adopt it).