

# FAIR.COM?: AN EXAMINATION OF THE ALLEGATIONS OF SYSTEMIC UNFAIRNESS IN THE ICANN UDRP<sup>†</sup>

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“There should be a general parity between the appeal rights of complainants and domain name holders.”<sup>1</sup>

## I. INTRODUCTION

In just over two years, the Internet Corporation for Assigned Names and Numbers’ (“ICANN”) Uniform Domain Name Dispute Resolution Policy (“UDRP”)<sup>2</sup> has resolved over 4000 disputes involving almost 8000 domain names.<sup>3</sup> With its global reach, fast turnaround and inexpensive fees, the UDRP is touted as a shining example of the potential of online alterna-

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<sup>†</sup> The author publicly released a working draft of this Article under the same title in August 2001. This final version adds to the previous draft with updated statistical data and conclusions.

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1. ICANN, *Internet Corporation for Assigned Names and Numbers Minutes of Meeting, Board Resolution 99.83*, at <http://www.icann.org/minutes/minutes-26august99.htm> (Aug. 26, 1999).

2. ICANN, UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY (1999), at <http://www.icann.org/udrp/udrp-policy-24oct99.htm> [hereinafter ICANN POLICY].

3. ICANN reports that as of April 11, 2002, there were 4550 case dispositions involving 7879 domain names. The total number of proceedings equaled 4936 cases involving 8495 domain names. ICANN, *Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy as of Apr. 11, 2002*, at <http://www.icann.org/udrp/proceedings-stat.htm> (last visited Apr. 21, 2002).

tive dispute resolution with supporters suggesting that it can be used as a model for other e-commerce legal disputes.<sup>4</sup>

Despite its substantial caseload and some positive reviews, the UDRP also has its share of critics. There are some who suggest that the system does not go far enough to protect trademark holders.<sup>5</sup> The South African government, for example, has argued that the policy should better protect country names and has urged the World Intellectual Property Organization ("WIPO") to formulate amendments that might be incorporated into a revised version of the UDRP.<sup>6</sup> WIPO, in fact, recently concluded a public consultation on a series of potential amendments that considered expanding the scope of the UDRP to explicitly include personal names, geographic designations and trade names.<sup>7</sup>

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4. For example, Masanobu Katoh, Chairman of the Internet Law & Policy Forum ("ILPF") and an ICANN board member, remarked at an ILPF conference in September 2000 that:

I have extensive experience with both Japanese and the U.S. court systems, as well as Alternative Dispute Resolution Proceedings. Never, and I mean never, have I seen a dispute resolution mechanism work so well. In less than a year, over 1,000 arbitrations have been initiated under the UDRP.

In more than two thirds of those cases, there already have been a disposition. These cases have been handled quickly, inexpensively, and most important of all, fairly. Without question, the UDRP is an important model for Dispute Resolution in other e-Commerce areas.

INTERNET LAW AND POLICY FORUM, INTERNET LAW AND POLICY FORUM 2000 ANNUAL CONFERENCE 19 (2000), at <http://www.ilpf.org/events/jurisdiction2/conf00d1.pdf>.

5. Some critics have bemoaned the absence of a discovery process and the increasing sophistication of cybersquatters. See Mitchell J. Matorin & M. Boudett, *Domain Name Disputes: Cases Illustrate Limitations of ICANN Policy*, 45 BOSTON B.J. 4 (2001). Others have lamented complainants' inability to obtain damages. See M.E. Searing, *What's in a Domain Name? A Critical Analysis of the National and International Impact on Domain Name Cybersquatting*, 40 WASHBURN L.J. 110 (2000).

6. See REPUBLIC OF SOUTH AFRICA, SUBMISSION BY REPUBLIC OF SOUTH AFRICA IN RESPONSE TO WIPO2 RFC-2, available at <http://wipo2.wipo.int/process2/rfc/rfc2-comments/2000/msg00059/wipo2-submission.doc> (last visited Apr. 21, 2002).

7. See WIPO, THE RECOGNITION OF RIGHTS AND THE USE OF NAMES IN THE INTERNET DOMAIN NAME SYSTEM (2001), at <http://wipo2.wipo.int/process2/rfc/rfc3/pdf/report.pdf>.

Another vocal group of UDRP critics has also emerged, concerned that the system promotes forum shopping and is systematically biased in favor of trademark holders, who are invariably the complainants in domain name disputes.<sup>8</sup> These concerns, which were expressed during the initial drafting of the UDRP,<sup>9</sup> have grown louder as the policy has been put into practice and data begins to emerge.<sup>10</sup>

The right of complainants to pick which arbitration provider handles their dispute has been the target of particularly vociferous criticism.<sup>11</sup> Although ICANN initially accredited three arbitration providers in order to foster a competitive environment, many commentators anticipated that complainants would engage in forum shopping by rationally selecting arbitration providers who tended to rule in their favor. Those fears were realized almost immediately. The two ICANN-accredited

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8. See MILTON MUELLER, DIGITAL CONVERGENCE CTR., ROUGH JUSTICE: AN ANALYSIS OF ICANN'S UNIFORM DISPUTE RESOLUTION POLICY (2000), at <http://dcc.syr.edu/roughjustice.htm>; Michael Geist, *WIPO Wipes Out Domain Name Rights*, GLOBE TECHNOLOGY.COM (Aug. 24, 2000), at <http://www.globetechnology.com/servlet/GAMArticleHTMLTemplate?tf=globetechnology/TGAM/EBusinessFullStory.html&cf=globetechnology/tech-config-neutral&slug=TWGEIS&date=20000824>.

9. See A. Michael Froomkin, *A Commentary on WIPO's "The Management of Internet Names and Addresses: Intellectual Property Issues,"* at <http://personal.law.miami.edu/~amf/commentary.htm> (May 19, 1999); A. Michael Froomkin, *Comments on ICANN Uniform Dispute Policy,* at <http://personal.law.miami.edu/~amf/icann-udp.htm> (Oct. 13, 1999).

10. See Marcelo Halpern & Ajay K. Mehrota, *Exploring Legal Boundaries Within Cyberspace: What Law Controls in a Global Marketplace?*, 21 U. PA. J. INT'L ECON. L. 523, 558 (2000) ("[T]he bias toward trademark owners may have far-reaching and unsettling repercussions."); A. Michael Froomkin & David Post, *Froomkin and Post Send Letter to ICANN Board,* at [http://www.icannwatch.org/archive/post\\_froomkin\\_udrp\\_letter.htm](http://www.icannwatch.org/archive/post_froomkin_udrp_letter.htm) (Jan. 26, 2000). Froomkin and Post state:

Complainant choice has the useful property of promoting price competition. Unfortunately, economic theory suggests that it also will tend to promote other types of competition, including competition among dispute resolution service providers to be perceived as being most "complainant-friendly" in order to capture all, or a disproportionate share, of the market. We consider this to be a very serious issue, as even the appearance of partiality would so taint the UDRP as to call the entire enterprise into question.

*Id.*

11. See Froomkin & Post, *supra* note 10.

providers with the most favorable outcomes for complainants (WIPO and the National Arbitration Forum ("NAF")) quickly captured the lion's share of the caseload at the expense of eResolution, the least complainant-friendly of the major ICANN-accredited providers.<sup>12</sup> Furthermore, forum shopping has continued to increase over time. In February 2001, for example, only three new cases were launched with eResolution, compared with 268 cases with WIPO and 143 cases with the NAF.<sup>13</sup> Faced with an ever-shrinking caseload, eResolution shut down its operations in December 2001.<sup>14</sup>

Although the existence of forum shopping has become common knowledge among those involved with the UDRP, a critical question remains unanswered. While there is clearly an incentive for arbitration providers to curry favor with potential complainants in order to attract future cases, how, if at all, do they do so? The more obvious sources of provider differentiation have only occurred on a fairly small scale. For example, price competition, one clear method of distinguishing providers, has thus far been rather limited. Among the three main providers,<sup>15</sup> the cost for a single domain, single panelist case starts

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12. See MUELLER, *supra* note 8. Louis Touton, ICANN's general counsel has also expressed concern over forum shopping, noting that: "Forum shopping is clearly a problem and if it is occurring it suggests that justice is being bought and sold." Oscar S. Cisneros, *What to Do with Domain Disputes?*, WIRED NEWS (Nov. 13, 2000), at <http://www.wired.com/news/print/0,1294,39992,00.html>.

13. ICANN, *List of Proceedings Under Uniform Domain Name Dispute Resolution Policy*, at <http://www.icann.org/udrp/proceedings-list.htm> (last visited Apr. 21, 2002).

14. See Steven Bonisteel, *Arbitration Firm Quits Domain-Dispute Business*, NEWSBYTES (Dec. 3, 2001), at <http://www.newsbytes.com/news/01/172619.html>.

15. The Center for Public Resources ("CPR") Institute for Dispute Resolution, which received accreditation as an ICANN dispute resolution provider in May 2000, has thus far been a non-factor in the UDRP. As of February 18, 2002, the provider had only been involved in a total of thirty-one cases. See CPR Institute for Dispute Resolution, at <http://www.cpradr.org> (last visited Apr. 21, 2002). Given the small number, the CPR data is excluded from most analysis in this Article. A fifth provider, the Asian Domain Name Dispute Resolution Centre, was approved as an ICANN accredited provider effective February 28, 2002. It had rendered no decisions as of the date data was collected for this study. *Id.*

from a low of \$950 (NAF) to a high of \$1500 (WIPO).<sup>16</sup> When the legal costs associated with a UDRP action are factored into the equation, the difference in filing fees is relatively unimportant.

Other differences, such as panelist rosters and language capabilities are even less pronounced. Although initially there were considerable differences in panelist roster composition, prior to eResolution ceasing operations, the rosters of the three providers looked increasingly alike. WIPO's roster was once characterized primarily as being comprised of a global group of trademark attorneys and law professors,<sup>17</sup> while the NAF's roster was described as retired American judges,<sup>18</sup> and eResolution's roster was perceived as international law professors.<sup>19</sup> With a growing number of panelists cross-listed with multiple providers, it is now more difficult to distinguish between provider panelist rosters.<sup>20</sup> Moreover, the NAF and eResolution have increased the international component of their panelist rosters, narrowing the gap with WIPO and improving their ability to address cases in foreign languages and with non-U.S. parties.

Marketing techniques clearly illustrate one area of differentiation between providers, with the NAF adopting a far more aggressive approach than the other providers in the marketing of its services. Unlike both WIPO and eResolution, the NAF regularly distributed press releases heralding recent decisions. The releases took on a distinctly *pro-complainant* tone in the

16. Three-member panel, single domain cases are even closer in cost. Fees start at a low of \$2500 with the NAF and increase to a high of \$3000 with WIPO. See WIPO, *Schedule of Fees Under the ICANN Policy*, at <http://arbiter.wipo.int/domains/fees/index.html> (last visited Apr. 20, 2002); National Arbitration Forum, *Code of Procedure, Appendix C: Fee Schedule*, at [http://www.arb-forum.com/arbitration/NAF/Code\\_linked/apdx\\_c.htm](http://www.arb-forum.com/arbitration/NAF/Code_linked/apdx_c.htm) (last visited Apr. 20, 2002); eRESOLUTION, eRESOLUTION SUPPLEMENTAL RULES ¶19 (1999), available at [http://www.eresolution.com/services/dnd/p\\_r/supprules.htm](http://www.eresolution.com/services/dnd/p_r/supprules.htm) [hereinafter eRESOLUTION RULES].

17. See Stacey H. King, *The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting*, 22 HASTINGS COMM. & ENT. L.J. 453, 477 (2000).

18. See Tamara Loomis, *Domain Name Disputes Get Swift Resolution Under UDRP*, 224 N.Y. L.J. 5 (2000).

19. See King, *supra* note 17, at 479.

20. For a complete list of cross-listed panelists as of July 31, 2001, see Annex A.

months prior to the August 2001 public release of a draft of this study.<sup>21</sup> The author, who is on the NAF's media distribution list, received eleven press releases from May through August 2001, ten of which promoted a complainant win. Featuring headlines such as *Arbitrator Delivers Internet Order for Fingerhut*<sup>22</sup> and *May the Registrant of magiceightball.com Keep the Domain . . . Not Likely*,<sup>23</sup> the releases do little to engender confidence in the neutrality of the NAF.<sup>24</sup>

The providers' supplemental rules also provide a point of difference. For example, each provider takes a slightly different approach to respondents' response rights. WIPO does not provide any supplemental rules on responses. It relies instead on the *ICANN Rules for Uniform Domain Name Dispute Resolution Policy* ("ICANN Rules"), which outline that responses must be filed within twenty days<sup>25</sup> and that extensions may be granted either in exceptional cases or if the parties mutually agree to an extension.<sup>26</sup> eResolution similarly relied on the ICANN Rules for respondent submissions, but included an ad-

21. The release of a working draft of this study generated considerable interest among those involved in the ICANN UDRP process as well as with the media. See Julia Angwin, *Are Domain Panels the Hanging Judges of Cyberspace Court?*, WALL ST. J., Aug. 20, 2001, at B1; Steven Bonisteel, *Law Expert Charges Bias in Domain-Dispute Arbitrations*, NEWSBYTES, Aug. 20, 2001, 2001 WL 23417533; Patrick Brethour, *Web Arbitration Biased: Study*, GLOBE AND MAIL, Aug. 20, 2001, at B4; *Domain Disputes Don't Get Fair Hearing Says Study*, DOW JONES REUTERS BUS., Aug. 21, 2001, 2001 WL 17928390; Gwendolyn Mariano, *Web Address Disputes Deemed Unfair*, CNET NEWS.COM (Dec. 4, 2001), at <http://news.com.com/2100-1023-276607.html?legacy=cnet>; Joe Salkowski, *Big Guys Usually Win Best Addresses*, CHI. TRIB., Dec. 3, 2001, at 5.

22. Press Release, National Arbitration Forum, *Arbitrator Delivers Internet Order for Fingerhut* (May 4, 2001) (on file with Journal).

23. Press Release, National Arbitration Forum, *May the Registrant of magiceightball.com Keep the Domain . . . Not Likely* (Aug. 10, 2001) (on file with Journal).

24. See Press Release, National Arbitration Forum, *Kevin Spacey Prevails Against Usual Suspect in Domain Name Case* (May 11, 2001) (on file with Journal); Press Release, National Arbitration Forum, *Holder of Beatles Domain Names Must "Get Back"* (June 8, 2001) (on file with Journal); Press Release, National Arbitration Forum, *Skateboard Magazine Thrashes Spanish Double* (June 21, 2001) (on file with Journal).

25. ICANN, RULES FOR UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY § 5(a) (1999), available at <http://www.icann.org/udrp/udrp-rules-24oct99.htm> [hereinafter ICANN RULES].

26. *Id.* § 5(d).

ditional provision that granted a respondent five calendar days to correct any deficiencies in its submission once so notified by the provider.<sup>27</sup> The NAF, meanwhile, contains the most detailed and onerous requirements for an extension. *Restrictions Dispute Resolution for Domain Names ("RDRP") Supplemental Rules* ("NAF Supplemental Rules") paragraph 6(a) states that:

Paragraph 5(d) of the Rules provides that the Respondent may request additional time to submit a Response, or may be given additional time if the parties stipulate to an extension and the Forum approves. Any request by the Respondent for an extension or any joint request by the parties for an extension shall:

- (i) be submitted after the parties have first conferred with each other to see if they could reach an agreement concerning the requested extension;
- (ii) be submitted in writing to the Forum and the parties within the time for the Response to be submitted;
- (iii) state the exceptional circumstances warranting the request for an extension;
- (iv) state the length of the extension being requested (no more than twenty (20) additional days); and
- (v) be accompanied by an extension fee of \$100.<sup>28</sup>

The NAF Supplemental Rules, which were added in May 2000, clearly place an additional burden on a respondent seeking an extension and has been characterized by some commentators as "worrisome" and "extremely biased."<sup>29</sup> At a minimum, the NAF Supplemental Rules distinguish the NAF from its competitors.

Since most of the differentiating factors are somewhat benign, the most prominent difference between providers remains case outcome. Simply put, complainants win more frequently with WIPO and the NAF than with eResolution. The author conducted a statistical analysis of all ICANN UDRP decisions through February 18, 2002, the results of which are discussed

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27. ERESOLUTION RULES ¶ (7)(c)(ii)(2).

28. NATIONAL ARBITRATION FORUM, RESTRICTIONS DISPUTE RESOLUTION FOR DOMAIN NAMES ("RDRP") SUPPLEMENTAL RULES § 6(a) (2002), available at [http://www.arbforum.com/domains/RDRP/RDRP\\_supp\\_Rules.rtf](http://www.arbforum.com/domains/RDRP/RDRP_supp_Rules.rtf) (last visited Apr. 20, 2002) [hereinafter NAF RULES].

29. King, *supra* note 17, at 498.

throughout the Article.<sup>30</sup> The statistical data, which has remained consistent since the introduction of the UDRP, shows that complainants win 80.6% of the time with WIPO, 83.3% of the time with the NAF, but only 61.1% of the time with eResolution.<sup>31</sup> Since outcome is what matters most to complainants, they have rewarded WIPO and the NAF with an overwhelming share of the UDRP caseload. Despite the highest fees, neutral rules and low-key marketing, WIPO commands 59.2% of the UDRP caseload, compared with 34.5% for the NAF and a paltry 5.6% for eResolution.<sup>32</sup>

With the statistical evidence leaving little doubt that forum shopping is part of the UDRP, this study takes the next step by determining whether bias may exist within the system and, if so, how it manifests itself. With differences such as fees, marketing and supplemental rules between providers transparent to all, the starting point for a deeper analysis into case outcomes must be to focus on aspects of the UDRP that are not transparent. The primary focus of this Article is therefore on panelist allocation.

Although the ICANN Rules and provider supplemental rules indicate how panelists are selected,<sup>33</sup> little is known about how providers determine precisely which panelists serve on what cases. Panelist allocation has become particularly important as the providers' panelist rosters have converged. As noted above, each provider's roster now features an impressive contingent of international panelists capable of addressing disputes between litigants in different languages and legal systems. Moreover, a growing number of panelists are cross-listed — that is, they are featured on the roster of more than one provider.<sup>34</sup> The multi-

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30. All UDRP statistical data has been compiled by the author and reflects all decisions released as of February 18, 2002. As discussed above, the author released an earlier version of this study in August 2001 that covered all decisions as of July 7, 2001. Unless otherwise noted, this Article cites to the more updated data. See Michael Geist, *UDRPinfo.com*, at <http://www.udrpinfo.com/bjil> (last modified Mar. 2002) [hereinafter Geist-Database].

31. *Id.*

32. *Id.*

33. See ICANN RULES § 6(b)-(e).

34. As of July 31, 2001, sixty-three panelists were listed on the roster of at least two providers. See *infra* Annex A for a complete list of cross-listed panelists.

provider phenomenon was particularly common with WIPO and eResolution, where despite markedly different case outcomes, twenty-eight of the panelists were featured on both rosters as of August 2001.<sup>35</sup>

The existence of multi-provider panelists complicates the bias question considerably. If each of the providers' panel rosters were distinctly different, differences in case outcomes could be attributed to the varying composition of provider panels. In such a scenario, one might expect differences in case outcomes since providers could staff their panelist rosters with the panelists most likely to deliver the desired outcomes. Since many of the same panelists decide cases for multiple providers, however, it seems unlikely that the composition of a provider's panelist roster alone would explain differences in case outcomes. Accordingly, if many of the same panelists are deciding cases for multiple providers, how is it that complainants win over 80% of the time with WIPO and NAF, and only 61% of the time with eResolution?

Following a review of over 4000 cases, the answer becomes clear. The critical issue does not rest with the roster of panelists per se, but rather with how the roster is deployed. Analysis of all UDRP cases decided as of February 18, 2002 reveals several striking trends that provide new insight into how the UDRP decision-making process functions in practice. The study finds that influence over panel composition is likely the most important controlling factor in determining case outcomes.<sup>36</sup> The data shows that when providers control who decides a case, which they do for all single panel cases, complainants win just over 83% of the time.<sup>37</sup> When provider influence over panelists diminishes — which occurs in three-member panel cases, as in these cases both the complainant and respondent choose one of the panelists as well as exercise some influence over the choice of the third member of the panel —

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35. Geist-Database, *supra* note 30.

36. This should not be taken to suggest that the merits of the case are unimportant. The strength of the bad faith claim and complainant rights in the domain are, of course, crucial. The data suggests, however, that panelist allocation is a significant determinant of case outcome, particularly for those cases that are not clear-cut cases of cybersquatting or do not fall squarely within a strict interpretation of the UDRP.

37. Geist-Database, *supra* note 30.

the complainant winning percentage drops to 60%.<sup>38</sup> Moreover, this differential remains consistent when examining both uncontested cases, frequently referred to as defaults, as well as contested cases.<sup>39</sup>

In addition to the dramatic difference in outcome between single and three-member panels, the study finds that case allocation appears to be heavily biased toward ensuring that a majority of cases are steered toward complainant-friendly panelists. Most troubling is data which suggests that, despite claims of impartial random case allocation as well as a large roster of 135 panelists,<sup>40</sup> the majority of the NAF single panel cases are actually assigned to little more than a handful of panelists.<sup>41</sup> As of February 18, 2002, an astonishing 56% of all NAF single panel cases — 778 of 1379 — were decided by only six people.<sup>42</sup> The complainant winning percentage in those cases was an astounding 95%.<sup>43</sup> Although default cases constitute a portion of those cases, the skewed caseload is unique to the NAF with neither WIPO nor eResolution presenting a similar caseload imbalance.<sup>44</sup>

The NAF is not alone on the issue of caseload allocation bias, as WIPO's track record also raises concerns. A review of all WIPO panelists who have decided five or more single panel cases (and thus have a track record) finds that there are 121 such panelists, all of whom have a complainant win percentage that is higher than at least two respondent-friendly WIPO panelists who have never been selected for sole panelist duty.<sup>45</sup> In fact, all of the 121 panelists have a complainant winning percentage of 50% or better.<sup>46</sup>

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38. *Id.*

39. *Id.*

40. E-mail from Timothy Cole, Assistant Director of Arbitration, National Arbitration Forum, to Michael Geist, Associate Professor of Law, University of Ottawa, Faculty of Law (July 19, 2001, 08:29:51 EST) (on file with Journal) [hereinafter Cole E-mail].

41. Geist-Database, *supra* note 30.

42. *Id.*

43. *Id.*

44. The six busiest WIPO panelists constitute 17.1% of that provider's single panel caseload; the six busiest eResolution panelists constitute 20.5% of that provider's single panel caseload. *Id.*

45. *Id.*

46. *Id.*

Following a brief historical review of the development of the UDRP and an introduction to its rules in Part II of this Article, Part III examines these numbers in greater detail. The Article concludes in Part IV with recommendations for changes to the UDRP designed to instill greater fairness and confidence in the process.

## II. THE DEVELOPMENT OF THE UDRP

The Internet Assigned Numbers Authority (“IANA”), headed by the late Jon Postel, initially managed the Domain Name System (“DNS”).<sup>47</sup> Growing demand from businesses and individuals, however, together with the increasing administrative burden of maintaining the system resulted in changes to the system in 1992.<sup>48</sup> That year, the United States government granted Network Solutions, Inc. (“NSI”) the exclusive right to register three generic top-level domain names (“TLDs”) — “.com,” “.net” and “.org.”<sup>49</sup> As part of the registration right, which was initially scheduled to last five years, NSI was charged with managerial responsibility for the maintenance of the DNS.<sup>50</sup>

With the first agreement set to expire in 1997, the U.S. Department of Commerce (“DOC”) granted NSI a two-year extension.<sup>51</sup> In return, NSI agreed to create a Shared Registry System that would allow competing companies to register “.com,” “.org” and “.net” domains.<sup>52</sup> Moreover, once a competitive registrar system was established, NSI agreed to apply for accreditation through the same process as other registrars, thereby

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47. See King, *supra* note 17, at 459-60.

48. See *id.* at 460.

49. See *id.*

50. See Kevin Eng, *Breaking Through the Looking Glass: An Analysis of Trademark Rights in Domain Names Across Top Level Domains*, 6 B.U. J. SCI. & TECH. L. 7 (2000).

51. See Courtney Macavinta, *Deal Extends NSI Domain Control*, CNET NEWS.COM (Oct. 6, 1998), at <http://news.com.com/2100-1023-216367.html>; Network Solutions, Inc., *US Government Extends Network Solutions Cooperative Agreement Through September 2000*, at [http://corporate.verisign.com/news/1998/pr\\_19981006.html](http://corporate.verisign.com/news/1998/pr_19981006.html) (last visited Apr. 20, 2002).

52. See Luke A. Walker, *ICANN's Uniform Domain Name Dispute Resolution Policy*, 15 BERKELEY TECH. L.J. 289, 293-94 (2000).

relinquishing its competitive advantage over the domain name registry market.<sup>53</sup>

NSI did not have a formal dispute resolution mechanism to address domain name disputes when it took over the registry responsibilities from IANA.<sup>54</sup> As disputes began to mount, NSI recognized the need for a dispute resolution policy.<sup>55</sup> Early efforts, however, became a source of frustration for trademark owners and domain name registrants alike since the dispute policies focused primarily on protecting NSI from liability.<sup>56</sup>

Prior to 1995, NSI maintained that domain name registrants bore the responsibility for ensuring that their domain name did not infringe upon any trademark rights, but did not otherwise provide a formal dispute resolution policy.<sup>57</sup> NSI released its first formal domain name dispute policy in July 1995.<sup>58</sup> It allowed trademark owners to challenge the registration of a domain name by presenting NSI with evidence that the domain name infringed upon their trademark rights.<sup>59</sup> The policy required the trademark holder to present evidence that their trademark was identical to the registered domain name.<sup>60</sup> The domain name registrant could successfully defend their right to the domain by presenting a valid trademark of its own.<sup>61</sup> If the trademark holder was unable to produce evidence of a registered trademark, NSI would allow the domain name registrant to retain the domain for ninety days as part of a transition process.<sup>62</sup> If the domain name registrant refused to accept an alternative domain, NSI would place the domain "on hold" so that neither party could use it.<sup>63</sup>

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53. *Id.* at 294.

54. *Id.* at 295.

55. *See Eng, supra* note 50, at 8.

56. *Id.* at 8-9.

57. *See Walker, supra* note 52, at 295.

58. *See* NETWORK SOLUTIONS, INC., DOMAIN DISPUTE RESOLUTION POLICY STATEMENT (July 1995).

59. *See id.*

60. *See id.*

61. *See id.*

62. *See id.*

63. *See id.*

NSI issued its first amendment to the policy in November 1995.<sup>64</sup> The revised policy addressed situations where the domain name registration pre-dated the issuance of a trademark.<sup>65</sup> In those situations, the domain name registrant was entitled to keep the domain, provided that it agreed to post a bond to indemnify NSI from any liability.<sup>66</sup>

NSI revised its dispute resolution policy yet again in September 1996.<sup>67</sup> The new policy required trademark owners to notify domain name registrants of their legal claim before commencing a dispute resolution action.<sup>68</sup> Moreover, the policy established limitations on the domain name registrants' defense of a competing trademark by requiring that the trademark be issued prior to the commencement of the dispute resolution action.<sup>69</sup> This latter change was needed after domain name registrants began obtaining quick trademark registrations from Tunisia.<sup>70</sup>

NSI revised its dispute resolution policy for the final time in February 1998.<sup>71</sup> That revision allowed trademark owners to immediately place domain names "on hold" pending the resolution of the dispute.<sup>72</sup> The domain name registrant, if challenged, could prevent the domain name from being placed on hold by submitting evidence which established that the domain name was registered before the complainant's trademark or the domain name holder owned a competing trademark in the domain name.<sup>73</sup>

Predictably, neither domain name registrants nor trademark holders were satisfied with the NSI policies. Domain name registrants argued that the policy was too broad, placing them

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64. See NETWORK SOLUTIONS, INC., DOMAIN DISPUTE RESOLUTION POLICY STATEMENT (Nov. 1995).

65. See *id.*

66. See *id.*

67. See NETWORK SOLUTIONS, INC., DOMAIN DISPUTE RESOLUTION POLICY STATEMENT (1996).

68. See *id.*

69. See *id.*

70. See G. Peter Albert, *Eminent Domain Names: The Struggle to Gain Control of the Internet Domain Name System*, 16 J. MARSHALL J. COMPUTER & INFO. L. 781, 790 (1998).

71. See NETWORK SOLUTIONS, INC., DOMAIN DISPUTE RESOLUTION POLICY STATEMENT (1998).

72. Walker, *supra* note 52, at 295.

73. *Id.*

at a disadvantage because trademark owners could invoke the dispute resolution policy and place a domain name on hold, even if the domain name registration was for products or services bearing no similarity to the trademark use.<sup>74</sup> Trademark owners, meanwhile, found the policy lacking because it could only be invoked where a domain name was identical to a registered trademark and because placing the domain on hold was not an effective remedy where a domain name transfer was desired.<sup>75</sup>

As the number of domain name lawsuits mushroomed and concerns over the stability of the DNS increased, the National Telecommunications and Information Administration ("NTIA"), an agency of the DOC, issued a draft discussion paper in February 1998, titled Improvement of Technical Management of Internet Names and Addresses ("Green Paper").<sup>76</sup> The Green Paper's stated goals were privatization and international participation in the DNS as well as increased competition in registry services.<sup>77</sup> Following the Green Paper consultation, the NTIA published a final report, the Management of Internet Names and Addresses ("White Paper") in June 1998.<sup>78</sup> A key concern expressed during the Green Paper public consultations was the fear that the U.S. would seek to impose U.S. trademark law on the Internet for the resolution of domain name disputes.<sup>79</sup>

In an attempt to alleviate this concern, the White Paper committed to a WIPO-led international process to develop recommendations for a uniform approach to resolving trademark and domain name disputes.<sup>80</sup> A balanced process that included both trademark holders and members of the Internet community was envisioned. The White Paper was also careful to establish limitations on the new dispute resolution mechanism by specifying that it was only to address cybersquatting and/or

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74. *Id.* at 296.

75. *Id.*

76. Improvement of Technical Management of Internet Names and Addresses, 63 Fed. Reg. 8826 (Feb. 20, 1998) (to be codified at 15 C.F.R. ch. 23).

77. *Id.* at 8826.

78. Management of Internet Names and Addresses, 63 Fed. Reg. 31,741 (June 10, 1998).

79. *See id.* at 31,746-47.

80. *See id.* at 31,747.

cyberpiracy disputes.<sup>81</sup> Other domain name disputes, such as competing trademark interests, were left to be settled by the courts.<sup>82</sup>

Pursuant to the White Paper recommendation, the U.S. government approved the creation of ICANN, granting the new non-profit corporation the responsibility for centralizing the management of the DNS.<sup>83</sup> Meanwhile, in consultation with WIPO, the beginning of a new dispute resolution policy began to emerge. WIPO published its first Request for Comments ("RFC-1") in July 1998,<sup>84</sup> followed soon after by two further Requests ("RFC-2"<sup>85</sup> and "RFC-3"<sup>86</sup>) calling for public consultation. Public comments raised numerous criticisms, including: (1) the perception that the proposed policy was unfairly biased in favor of trademark holders; (2) the policy's broad scope; (3) the mandatory nature of the dispute resolution proceedings; (4) the policy's impact on freedom of expression; (5) the expense of the process; (6) the impact of the proceedings on subsequent litigation; (7) choice of law issues; (8) treatment of famous marks; (9) procedural concerns; and (10) the possibility that future technological change might render the proposed policy obsolete.<sup>87</sup> WIPO released its final report, *The Management of Internet Names and Addresses: Intellectual Property Issues* ("Final Report") in April 1999, addressing some, though not all, of the concerns.<sup>88</sup>

Using the WIPO Final Report and the White Paper as its guide, ICANN moved quickly to draft a policy to address cyber-

81. *See id.*

82. *See id.*

83. *See id.* at 31,749.

84. WIPO, *WIPO RFC-1: Request for Comments on Terms of Reference, Procedures and Timetable for the WIPO Internet Domain Name Process*, at <http://wipo2.wipo.int/process1/rfc/1/index.html> (last visited Apr. 20, 2002).

85. WIPO, *WIPO RFC-2: Request for Comments on Issues Addressed in the Second WIPO Internet Domain Name Process*, at <http://wipo2.wipo.int/process1/rfc/2/index.htm> (last visited Apr. 20, 2002).

86. WIPO, *Interim Report of the WIPO Internet Domain Name Process*, at <http://wipo2.wipo.int/process1/rfc/3/index.htm> (last visited Apr. 20, 2002).

87. *See* WIPO, *First WIPO Process-Request for Comments*, at <http://wipo2.wipo.int/process1/rfc/index.html> (last visited Apr. 20, 2002).

88. *See* WIPO, *THE MANAGEMENT OF INTERNET NAMES AND ADDRESSES: INTELLECTUAL PROPERTY ISSUES* (1999), available at <http://wipo2.wipo.int/process1/report/doc/report.doc>. For a summary of the recommendations found in the Final Report, see King, *supra* note 17, at 464-67.

squatting and related issues.<sup>89</sup> Only months after the completion of the WIPO consultation, the ICANN board of directors approved the UDRP and its accompanying rules on October 24, 1999.<sup>90</sup> The UDRP differs from the NSI dispute resolution policy in three material respects: (1) trademark owners are no longer able to place a hold on domain names during the dispute-resolution process; (2) trademark owners can only invoke a UDRP proceeding if the domain name was registered and is being used in bad faith; and (3) the administrative dispute resolution proceeding is mandatory for all domain name registrants.<sup>91</sup>

Registrants are required to submit to a mandatory administrative proceeding conducted by a dispute resolution service provider, approved by ICANN, where a complainant asserts that:

(1) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights;

(2) the registrant has no rights or legitimate interests in respect to the domain name; and

(3) the domain name has been registered and is being used in bad faith.<sup>92</sup>

To succeed, the complainant must prove that all three elements are present.<sup>93</sup> The policy also provides some guidance as to what constitutes evidence of bad faith registration and use of a domain name.<sup>94</sup> They include:

(1) circumstances indicating that the registrant has acquired the domain name primarily for the purpose of selling, renting or otherwise transferring it to the complainant who is the owner of the trademark or service mark, or to a competitor of the complainant, for valuable consideration in excess of "out-of-pocket" costs directly related to the domain name;<sup>95</sup>

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89. See King, *supra* note 17, at 468.

90. See ICANN, *Internet Corporation for Assigned Names and Numbers Minutes of Meeting, Board Resolution 99.81*, at <http://www.icann.org/minutes/minutes-26aug99.htm> (Aug. 26, 1999).

91. See Walker, *supra* note 52, at 299-300.

92. See ICANN POLICY § 4(a)(i)-(iii).

93. *Id.*

94. See *id.* § 4(b).

95. *Id.* § (i).

(2) the registrant has registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that a pattern of such conduct is evidenced;<sup>96</sup>

(3) the domain name has been registered primarily for the purpose of disrupting the business of a competitor;<sup>97</sup> or

(4) the domain name has been registered primarily for commercial gain through creating a likelihood of confusion.<sup>98</sup>

A respondent can demonstrate rights or a legitimate interest in a domain name by presenting evidence that:

(1) before any notice to the respondent of the dispute, the respondent used or prepared to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services;

(2) the respondent has been commonly known by the domain name, even if no trademark or service mark rights have been acquired; and

(3) legitimate non-commercial or fair use of the domain name, without intent to divert consumers or tarnish the trademark or service mark for commercial gain, is being made.<sup>99</sup>

A proceeding commences when the complainant submits a complaint to an ICANN approved dispute resolution service provider of its choosing. The complainant must specify whether the dispute is to be decided by a single-member or three-member panel.<sup>100</sup> The fee for a single-member panel is paid entirely by the complainant.<sup>101</sup> In the event that a three-member panel is requested, the complainant must submit names and contacts of three candidates from a roster of any ICANN-approved provider to serve as one of the panelists.<sup>102</sup> Following a compliance review, the provider forwards the complaint to the respondent.<sup>103</sup> The respondent must submit a response to the provider within twenty days of commencement of

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96. *Id.* § 4(b)(ii).

97. *Id.* § 4(b)(iii).

98. ICANN POLICY § 4(b)(iv).

99. *Id.* § 4(c)(i)-(iii).

100. *See* ICANN RULES § 3(b)(iv).

101. *Id.* § 6(b).

102. *Id.* § 4(b)(iv).

103. *Id.* § 4(a).

the proceeding.<sup>104</sup> If no response is submitted, the panel decides the case based solely upon the evidence furnished by the complainant.<sup>105</sup>

Even if the complainant has requested a single-member panel, the respondent has the right to have the dispute decided by a three-member panel instead.<sup>106</sup> If either the complainant or respondent requests a three-member panel, the respondent must provide the names and contact details of three candidates to serve as one of the panelists, which can also be drawn from any ICANN-approved provider's roster.<sup>107</sup> Where the complainant has elected to have the dispute decided by a single-member panel and the respondent requests a three-member panel, the respondent is required to pay one-half of the applicable fee for a three-member panel.<sup>108</sup>

If the complainant requests a single-member panel and the respondent does not object, the provider alone assigns a single panelist from its roster to the case.<sup>109</sup> If a three-member panel is selected, one panelist each is selected from the list of candidates provided by both the complainant and the respondent.<sup>110</sup> The third panelist is appointed by the provider from a list of five candidates submitted by the provider to the parties, the selection from among the five being "made in a manner that reasonably balances the preferences of both Parties."<sup>111</sup> The typical approach is to allow each party to strike out up to two names from the list of five.<sup>112</sup> ICANN policy provides that panelists should be "impartial and independent" and must disclose any circumstances that may give rise to justifiable doubt as to the panelist's impartiality or independence.<sup>113</sup> Parties must be treated with equality by the panel, with each party accorded a fair opportunity to present its case.<sup>114</sup>

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104. *Id.* § 5(a).

105. *Id.* § 5(e).

106. *See* ICANN RULES § 5(b)(iv).

107. *Id.* § 5(b)(v).

108. *Id.* § 5(c).

109. *Id.* § 6(b).

110. *Id.* § 6(e).

111. *Id.*

112. Cole E-mail, *supra* note 40.

113. *See* ICANN RULES § 7.

114. *Id.* § 10(b).

### III. THE STUDY

#### *A. Methodology and Basic Findings*

The study was initially designed to analyze all UDRP decisions through early July 2001, though it was updated prior to publication to include all UDRP decisions as of February 18, 2002. It commenced in early May 2001 with a case-by-case review of each decision. Each case was reviewed for contested domain name, proceeding number, panelist, arbitration provider, commencement date, panel type (single or three-member panel) and outcome. Since the current search functionality supported by ICANN and the arbitration providers is limited to identifying particular cases, the data was culled directly from the cases themselves, which are posted on each provider's website.<sup>115</sup> In the update to the study, the author re-examined all cases to verify the accuracy of the initial data, collected information related to contested and uncontested cases, as well as added all new decisions since July 2001.

The data was initially entered into a Microsoft Excel spreadsheet, grouped by panelist and later transferred onto a web-based database. Data analysis was conducted on a range of issues including overall provider and panelist outcomes, single versus three-member panel outcomes, panelist caseload, multi-provider panelist outcomes and data on panelists serving only on three-member panels.

Basic information on the initial round of collected data included:

- Four thousand three hundred and thirty-two cases were examined, of which 2565 were WIPO cases, 1493 were NAF cases, 244 were eResolution cases and thirty-one were CPR cases.<sup>116</sup>

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115. See WIPO, at <http://arbiter.wipo.int/domains/cases/index.html> (last visited Apr. 20, 2002); National Arbitration Forum, at <http://www.arbforum.com/domains/decisions.asp> (last visited Apr. 20, 2002); eResolution, at <http://www.eresolution.ca/services/dnd/decisions.htm> (last visited Apr. 20, 2002).

116. Michael Geist, Microsoft Excel Spreadsheet (2001) (unpublished research data, on file with Journal) [hereinafter Geist-Spreadsheet].

- Three thousand eight hundred and eighty-one (89.6%) of the cases were single panel cases; 417 (9.6%) featured three-member panels.<sup>117</sup>
- Thirty-one panelists participated exclusively in three-member panels. These panelists were involved in ninety-eight cases.<sup>118</sup>

### B. Key Findings

#### 1. The Dramatic Effect of Three-Member Panels

Although little attention was accorded to the possible differences between single and three-member panels during the public discussion of the UDRP, by far the most important finding of this study is the dramatic difference in case outcomes in single versus three-member panel cases. Single panel cases constitute just over 90% of the total UDRP caseload, while three-member panels comprise the remaining 10%, with 417 such cases decided as of February 18, 2002.<sup>119</sup> Across all providers, complainants win 83% of the time where only a single panelist determines the outcome, compared with 58% when a three-member panel is responsible for the decision.<sup>120</sup>

Three-member panel complainant win percentages remain roughly consistent across all providers. The NAF has the largest differential (37.4%) between single and three-member panels; complainants win 86% of the time in single-member panel cases but only 48.6% of the time in three-member panel cases.<sup>121</sup> The WIPO differential is somewhat smaller at 20.8% (complainant single-member panel win percentage of 82.9%; three-member panel win percentage of 62.1%), while eResolution, unsurprisingly, has the smallest differential of 11.8% (complainant single-member panel win percentage of 61.8%; three-member panel win percentage of 50%).<sup>122</sup>

One might expect that the difference between a single and three-member panel is attributable to substantively stronger respondent cases in three-member panel cases. That theory

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117. *Id.*

118. *Id.*

119. Geist-Database, *supra* note 30.

120. *Id.*

121. *Id.*

122. *Id.*

would posit that respondents are willing to incur the additional expense involved in a three-member panel in order to protect their domain name when they have a particularly strong argument. Moreover, unlike single-member panel cases, where respondents sometimes fail to submit a response and thus further decrease their chances of retaining their domain name, one might expect that three-member panel cases would rarely involve a non-response or “default.”<sup>123</sup>

The data conclusively finds otherwise, however. Contrary to expectations, complainants actually request three-member panels more frequently than do respondents. Although the data is somewhat incomplete since some decisions do not disclose which party requested the three-member panel, the author was able to ascertain this information for 238 of the 292 three-member panel cases as of July 7, 2001.<sup>124</sup> In that sample, complainants requested the three-member panel 62% of the time (148 of 238 cases).<sup>125</sup>

Furthermore, three-member panel cases actually do include a significant number of defaults. Of the 417 three-member panel cases as of February 18, 2002, the respondent failed to provide a response 24.5% of the time (102 of 417).<sup>126</sup> Complainants won all but one of those cases.<sup>127</sup> In fact, when default cases are excluded from the three-member panel case outcomes, complainants win only 46% of the time.<sup>128</sup>

Interestingly, differences between single and three-member panels remain very consistent for both contested and uncontested cases. When the sample size is limited solely to contested (non-default) cases, complainants win 68% of the time (1109 of 1639) in single panel cases, but only 46% of the time

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123. In fact, the NAF Supplemental Rules explicitly encourage avoiding three-member panel default cases by providing complainants with the option of switching to a single panelist where the respondent fails to submit a response. The NAF provides the complainant with a refund of the difference in panel cost. See NAF RULES § 9(c).

124. Geist-Spreadsheet, *supra* note 116. Data was obtained from the cases where available. Where unavailable, panelists were asked directly if they could recall which party requested the three-member panel. The author thanks the many panelists who responded to the request.

125. *Id.*

126. Geist-Database, *supra* note 30.

127. *Id.*

128. *Id.*

(forty-five of 314) in three-member panel cases, a 22% differential that compares quite favorably to the 25% differential when all cases are considered.<sup>129</sup> In fact, the differential between providers remains the same as well with complainants winning 70% and 69% of the time in single-member panel cases with WIPO (636 of 914) and NAF (400 of 579) respectively, but only 50% of the time with eResolution (sixty-five of 131).<sup>130</sup> The three-member panel outcomes by provider show complainants winning 48% of contested cases with WIPO (ninety-eight of 203), 42% with NAF (thirty-nine of ninety-three), and 47% with eResolution (seven of fifteen).<sup>131</sup>

This data points to two conclusions. First, the inclusion of uncontested cases is largely immaterial in determining provider differences in complainant win percentages (19 to 22% difference between WIPO/NAF and eResolution when all cases are included; 19 to 20% difference between WIPO/NAF and eResolution for non-default cases only). Second, the inclusion of defaults does not affect the difference in complainant win percentage when comparing single and three-member panels (23% difference for all cases; 22% difference for non-default cases).

This data begs several questions. First, if strength of respondent case and uncontested cases are not the reason behind the single versus three-member panel outcome differential, why the dramatic difference? Second, what motivates complainants to select the three-member panel option, when the data suggests that single-member panels rule overwhelmingly in their favor?

A partial answer to both questions may well be the number of inconsistent, wrongly decided and poorly reasoned UDRP decisions. While every adjudicative system will have its share of bad decisions, the UDRP has come under heavy criticism for inconsistent decisions,<sup>132</sup> decisions lacking virtually any rea-

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129. *Id.*

130. *Id.*

131. *Id.*

132. *Compare, e.g.,* Guerlain S.A. v. HI Investments, WIPO Arbitration and Mediation Center, Case No. D2000-0494 (2000) (Glas, Arb.), *available at* <http://www.arbiter.wipo.int/domains/decisions/html/2000/d2000-0494.html> (dispute over the buyguerlain.com domain), *with* Sporoptic Pouilloux S.A. v. William H. Wilson, WIPO Arbitration and Mediation Center, Case No. D2000-0265 (2000), (Introvigne, Arb.), *available at*

soning<sup>133</sup> and decisions that have clearly misinterpreted the UDRP.<sup>134</sup> Inconsistent and poorly reasoned decisions diminish both respondent and complainant confidence in the system. Respondents are concerned by the over 80% complainant success rate and may see the entire system as unfair. Complainants, while unquestionably pleased with an over 80% likelihood of winning, may still be unhappy, particularly if they have a strong case since they may fear that the single panelist assigned to their case may be the one that misinterprets the policy. The UDRP is therefore perceived by some complainants to be a gamble with very good odds. While that may be fine for some complainants, for those with cases that they believe are unquestionably instances of bad faith cybersquatting, it may be a gamble they are unwilling to take. Both respondents and complainants therefore turn to the three-member panel as a method of hedging against bias and bad decisions.

At least three factors contribute to the greater confidence in the three-member panel. First, this panel configuration eliminates the possibility that a single panelist may simply misinterpret the UDRP and render the wrong decision. Second, the three-member panel forces panelists to more carefully consider their decisions by justifying it before their counterparts on the panel. For example, at least one well-known panelist, who has participated in several three-member panel cases, advised the

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<http://www.arbiter.wipo.int/domains/decisions/html/2000/d2000-0265.html>. Although WIPO panelists decided both cases with similar facts, the outcomes were markedly different as *buyguerlain.com* was transferred to the complainant, while the registrant retained the rights to *buyvuarnetsunglasses.com*.

133. *See, e.g.,* *Rockport Boat Line, Ltd. v. Gananoque Boat Line, Ltd.*, National Arbitration Forum, Forum File No. FA0004000094653 (2000) (Karem, Arb.), *available at* <http://www.arbforum.com/domains/decisions/94653.htm> (dispute over the *rockportboatline.com* domain). Rockport brought the action against Gananoque Boat Line, the domain name registrant and its competitor across the river. In a peculiar decision, not only did the panelist rule in favor of the registrant and refuse to transfer the domain, but did so without providing much analytical reasoning. *See id.*

134. *See, e.g.,* *Reg Vardy Plc v. David Wilkinson*, WIPO Arbitration and Mediation Center, Case No. D2001-0593 (2001) (Thorne, Arb.), *available at* <http://www.arbiter.wipo.int/domains/decisions/html/2001/d2001-0593.html> (dispute over the *reg-varidy.com* domain). The WIPO panelist openly admitted that the case did not meet with the requirements needed for transfer, yet proceeded to transfer to the domain notwithstanding that admission. *See id.*

author that he successfully persuaded his fellow panelists to change their votes on more than one occasion.

Third, and most importantly, the three-member panel completely alters the panelist selection process. In a single-member panel case, the arbitration provider is exclusively responsible for allocating the case to a panelist.<sup>135</sup> Conversely, in a three-member panel case, the arbitration provider wields comparatively little influence over the selection process. Both the complainant and respondent are typically allowed to select one of the three panel members by submitting a list of three or five acceptable candidates from which the provider will select one.<sup>136</sup> The provider selects the third member of the panel, but only after it has provided both the complainant and respondent with the opportunity to indicate which panelist it prefers.<sup>137</sup>

Furthermore, the roster of available panelists changes dramatically in a three-member panel. Unlike a single-member panel case, in which the provider selects a single panelist from amongst its roster, the complainant and respondent are under no such limitation in a three-member panel case. In those cases, the ICANN Rules allow parties to nominate any panelist from any ICANN-accredited provider's roster.<sup>138</sup> This rule more than doubles the number of available panelists and ensures that both parties can seek out panelists they view as favorable to their case without regard to the provider.

Although the benefit of broadening the panelist field was apparent to many, the importance of removing much of the provider's responsibility for case allocation was less apparent since all providers maintain that case allocation occurs on a random basis. If that were the case, panelist selection would not be a matter for concern. A close examination of the data suggests, however, that single panelist selection may be anything but random.

## 2. Suggestions of Bias Within UDRP Caseload Allocation

As noted above, the UDRP Rules refer only briefly to the issue of single-member panel selection. Article 6(b) specifies that

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135. See ICANN RULES § 6(b).

136. *Id.* § 6(e).

137. *Id.*

138. *Id.* § 6(d).

providers shall select a panelist from their roster with the cost to be paid entirely by the complainant.<sup>139</sup> The providers' supplemental rules similarly include scant information on the issue, with most focused on the three-member panel selection process.<sup>140</sup> Neither WIPO nor the NAF provide any additional rules on single panelist selections. Alone among the three major providers, the *eResolution Supplemental Rules* provide that "[w]hen appointing a Panelist, the Clerk's office shall take into account the Panelist's nationality, place of residence and any links he or she may have with the Parties' countries of origin."<sup>141</sup> In correspondence with the author, an eResolution representative confirmed that where the complainant and respondent reside in different jurisdictions, eResolution endeavors to assign a panelist from a neutral third country.<sup>142</sup>

Examining information that can be easily extracted from UDRP case search facilities maintained by ICANN and the providers are also of little help in shedding light into panelist allocation. The current search functionality is very limited, with the database searchable primarily by case name. Moreover, culling information directly from the cases is time-consuming since UDRP decisions are not consistently reported.

The lack of transparency on issues such as panelist allocation is particularly worrisome since the data suggests that there is a significant difference in outcome when panelists are allocated exclusively by the provider in a single-member panelist case and when both parties influence the composition of the panel,

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139. *Id.* § 6(b).

140. See NAF RULES § 9; eRESOLUTION RULES ¶ 8; WIPO, at [www.wipo.int/index.html.en](http://www.wipo.int/index.html.en) (last visited Apr. 20, 2002).

141. eRESOLUTION RULES § 8(i).

142. E-mail from Joëlle Thibault, Vice President, Professional Services, eResolution, to Michael Geist, Associate Professor, University of Ottawa, Faculty of Law (Aug. 1, 2001, 09:19:08 EST) (on file with Journal) [hereinafter Thibault E-mail]. A review of eResolution's case allocation confirms that this is the typical practice. Through July 7, 2001, there were sixty eResolution single panel cases involving parties from different jurisdictions. In fifty-five of those cases, the single panelist was a resident of neither the complainant's nor the respondent's jurisdiction. Although not explicitly provided in its rules, it would appear that a similar policy is followed by WIPO. A review of its caseload of single-member panel cases involving parties from different jurisdictions yielded 784 cases, of which 736 involved a single panelist who was not a resident of either the complainant's or the respondent's jurisdiction.

as in a three-member panelist case.<sup>143</sup> Furthermore, with a growing number of panelists cross-listed on two or more provider rosters, differences in outcomes between providers cannot be easily attributed to the different composition of the provider rosters.

A review of the 3881 single-member panel cases as of February 18, 2002 indicates that single panel cases may not be allocated in an entirely random manner.<sup>144</sup> Most disturbing are the case allocation trends at the NAF. Of the NAF's 1379 single-member panel cases, only six panelists decided an astonishing 56.4% (778 of 1379) of the cases.<sup>145</sup> The sheer number of cases assigned to only six people alone is surprising. The 778 cases represent 20% of the entire UDRP single panelist caseload.<sup>146</sup>

The NAF caseload allocation data is particularly noteworthy since it stands in stark contrast to the other providers, whose numbers are nearly identical. The six busiest single-member panelists at WIPO account for 17.1% of the WIPO single panelist caseload, while the six busiest single panel panelists at eResolution account for 20.5% of their total caseload.<sup>147</sup> Although WIPO's overall caseload is considerably larger than the NAF's, the raw numbers still indicate a significant difference. The 17.1% caseload at WIPO represents a total of 385 cases, just under half of the NAF total of 778.<sup>148</sup>

More troubling than the NAF caseload data alone is the fact that complainants have won 95.1% of those cases.<sup>149</sup> This figure is remarkably higher than virtually any other point of comparison, including overall complainant winning percentage or complainant winning percentage by provider. Moreover, when contrasted with 46% complainant win rate in NAF three-member panel cases, the impact of provider panelist selection becomes glaringly apparent.

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143. Geist-Database, *supra* note 30.

144. *Id.*

145. *Id.* The six panelists, in order of caseload, are: James A. Carmody, Carolyn Marks Johnson, James P. Buchele, Ralph Yachnin, Harold Kalina and John J. Upchurch. *Id.*

146. *Id.*

147. *Id.*

148. Geist-Database, *supra* note 30. With its smaller caseload, the comparable eResolution total is only forty-seven cases.

149. *Id.*

The large number of default cases decided by NAF's six busiest panelists might admittedly be partially responsible for skewing the complainant win percentage upward. Default cases, do not, however, explain the failure to randomly allocate caseload because the vast majority of the NAF panelists hear default cases. Since the majority of the NAF panelists are willing to decide default cases, random case allocation would suggest that the caseloads should be distributed more evenly. Moreover, the default track records of some of NAF's busiest panelists might lead observers to conclude that the ICANN UDRP has reversed the traditional maxim of innocent until proven guilty. The Honorable Carolyn Marks Johnson, James P. Buchele and Harold Kalina have *never* ruled in favor of a respondent in a default case, with complainants winning 324 of 324 cases between the three panelists.<sup>150</sup> Not far behind sit Ralph Yachnin and John J. Upchurch, who have a combined complainant win record in default cases of 184 in 187 cases.<sup>151</sup>

The NAF caseload data is not the only example of UDRP panel selection bias. A second source of data is a review of which panelists have never been selected for single panel duty. There are thirty-one such panelists, who have participated in at least one UDRP case, but never as a single panelist.<sup>152</sup> Nearly 60% of the panelists (eighteen of thirty-one) have only participated in one UDRP case and therefore have no track record.<sup>153</sup> WIPO's panelist roster contains two panelists who stand out, however.

G. Gervaise Davis III, a California attorney, and Professor Milton Mueller of Syracuse University, the author of the UDRP study, *Rough Justice: An Analysis of ICANN's Dispute Resolution Policy*,<sup>154</sup> have together participated in a total of forty cases, yet neither has ever participated as a sole panelist.<sup>155</sup> That Davis and Mueller would be popular among respondents seeking a panelist for a three-member panel comes as little

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150. *Id.*

151. *Id.*

152. *Id.*

153. *Id.*

154. MUELLER, *supra* note 8.

155. Professor A. Michael Froomkin, a well-known ICANN critic, has also participated in twelve UDRP cases, though never as a single panelist. Professor Froomkin was featured on the eResolution panelist roster.

surprise. The complainant has won only nine of the twenty-four cases in which Davis has appeared as a panelist.<sup>156</sup> Similarly, the complainant has won only four of the sixteen cases in which Mueller has appeared as a panelist.<sup>157</sup>

Given their records, it seems unlikely that a complainant would select either panelist if given a choice. Assuming random caseload allocation, however, it also seems unlikely that among the 2565 WIPO single panel cases, neither Davis nor Mueller's name would surface even once. In fact, a review of all WIPO panelists that have decided five or more single-member panel cases (and thus have a track record) provides further evidence that this omission is not mere happenstance. There have been 121 panelists selected by WIPO five or more times to decide single-member panel cases — all 121 panelists have a complainant win percentage that is higher than that of Davis or Mueller and that is at least 50%.<sup>158</sup>

#### IV. UDRP REFORM RECOMMENDATIONS

##### *A. Mandatory Three-Member Panels*

Calls for reform to the UDRP have been voiced since its inception. Concerns regarding forum shopping have cast doubt on the fairness of the process. A plethora of inconsistent and clearly incorrect decisions have left both trademark holders and domain name registrants alike uncomfortable with the uncertainty of the process. Add to these concerns the suggestion of provider bias in the determination of who decides what case.

Professor Mueller raised several possibilities for reform in *Rough Justice*, including random selection of panelists, the development of an appellate process and a greater tie between provider and registrar.<sup>159</sup> Random selection was seen as problematic since it might eliminate a competitive provider environment and leave ICANN with a much larger dispute resolution regulatory function than is presently the case.<sup>160</sup> Although the appellate process might reduce the number of bad decisions, Mueller points out that it is also likely to delay the reso-

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156. Geist-Database, *supra* note 30.

157. *Id.*

158. *Id.*

159. See MUELLER, *supra* note 8, at pt. 4.

160. See *id.*

lution of domain name disputes and render the process more like global law than a form of alternative dispute resolution.<sup>161</sup>

Professor Mueller ultimately favored a registrar selection process, in which registrars would contract with one or more accredited dispute resolution providers to handle all the disputes raised by their registrations.<sup>162</sup> Under this system, the complainant would no longer select the provider, yet a competitive provider system would remain in place.<sup>163</sup> Alternative suggestions have included a new ICANN accreditation scheme that would accredit panelists rather than providers,<sup>164</sup> the use of juries to resolve disputes<sup>165</sup> and respondent selection of provider.<sup>166</sup>

This Article suggests that although each of these proposals for reform may have a positive effect on the problematic aspects of the UDRP, they ultimately will not address the root of the problem. Rather than focusing on provider selection as a means of solving the forum shopping issue, ICANN must turn its attention to panelist selection. If providers continue to maintain exclusive and unchecked authority over the selection of panelists in 90% of all UDRP cases, no reforms to the rules or how a provider is selected will remove the potential for bias in panelist allocation. The author submits that the solution to the forum shopping issue, and with it the concerns about bias and inconsistency within the UDRP, is surprisingly simple — all contested UDRP actions should involve three-member panels. Establishing the three-member panel as the default would remove most provider influence over panelist selection and ensure better quality decisions by forcing panelists to justify their reasoning to their colleagues on the panel. As with the current system, both parties would play a role in selecting one panelist, who may be part of any ICANN-accredited provider's roster,

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161. *See id.*

162. *See id.*

163. *See id.*

164. *See* John Berryhill, *The UDRP Provides Disputable Resolution Incentives*, at [http://www.icannwatch.org/archive/udrp\\_and\\_incentives.htm](http://www.icannwatch.org/archive/udrp_and_incentives.htm) (Apr. 4, 2000).

165. *See* D. G. Post, *Juries and the UDRP*, at [http://www.icannwatch.org/archive/juries\\_and\\_the\\_udrp.htm](http://www.icannwatch.org/archive/juries_and_the_udrp.htm) (Sept. 6, 2000).

166. *See* Rose Communications, S.L., *Domain Name Dispute Procedure and Related Issues*, at <http://www.rose.es/udrpenglish.htm> (May 2001).

while the provider would select the third panelist from among a list that both parties have reviewed and accepted.

The dramatic difference in single versus three-member panel outcomes should not be viewed as shifting the balance toward domain name registrants, but rather as shifting the balance toward greater fairness. Although analysts have argued over what the *right* complainant win percentage ought to be, the 60% complainant win rate in three-member panels indicates that the best considered decisions place the percentage much lower than the current overall rate of 82%.<sup>167</sup>

Unlike the current system, the complainant would be required to cover the full cost of the three-member panel. Although this requirement will double the cost of a UDRP action for many complainants, the cost will remain low in comparison with traditional litigation. Moreover, the fact that complainants already select a three-member panel more frequently than do respondents indicates that concern over the quality of decisions is currently an issue for both trademark holders and domain name registrants. Provider caseloads also indicate that complainants are relatively cost-insensitive since WIPO, the most expensive of the three main providers, enjoys a commanding 59% share of all UDRP cases.<sup>168</sup>

One further method of reducing complainant costs would be to combine the mandatory three-member panel rule for contested cases with the NAF Supplemental Rule on respondent defaults.<sup>169</sup> That rule allows a complainant to move from a three-member panel to a single panelist where the respondent fails to provide a response.<sup>170</sup> In doing so, the complainant is refunded the difference in cost between a single-member and three-member panel.<sup>171</sup> Adopting that supplemental rule would allow complainants to reduce their costs during default cases, while maintaining the benefits of three-member panels for contested cases.

Forcing complainants to shoulder the full cost of a three-member panel should not be regarded as providing respondents with a free ride. The costs inherent in launching or defending

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167. See Geist-Database, *supra* note 30.

168. *Id.*

169. See NAF RULES § 9(c).

170. *Id.* § (i).

171. *Id.* § 9(c)(iv).

a UDRP action extend well beyond the provider fees. Legal and administrative costs can be several times as much as the provider fee, and the current rules do not contain any provision for costs. Accordingly, defending a UDRP action remains an expensive proposition for all registrants, even if the requirement to contribute to the cost of a three-member panel is eliminated.

Interestingly, this approach has met with approval at the country code TLD level. In November 2001, the Canadian Internet Registration Authority ("CIRA"), which administers the ".ca" domain, approved the Canadian Domain Name Resolution Policy ("CDRP").<sup>172</sup> Although the CDRP is modeled after the ICANN UDRP, it differs in several material respects. Most important for the current purposes, the *CIRA Domain Name Dispute Resolution Rules*, which govern the CDRP, provide that all contested cases will be decided by three-member panels to be paid for by the complainant.<sup>173</sup> Where the respondent fails to respond, the complainant has the option of requesting a less costly one-person panel.<sup>174</sup>

### B. Caseload Minimums and Maximums

Several additional smaller reforms may prove effective in conjunction with the adoption of the three-member panel as the standard approach. The establishment of caseload minimums and maximums would help ensure that this study's findings — huge caseloads assigned to a small number of panelists as well as the failure to select some panelists for dispute resolution duty — are eliminated.

If all contested UDRP cases featured three-member panels, chosen, by and large, by the complainant and respondent, providers would be unable to ensure that panelists met either caseload minimums or maximums. However, providers will still play a role in naming the panel's third panelist as well as in respondent default cases that revert to a single panelist.

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172. See CIRA, at <http://www.cira.ca/en/home.html> (last visited Apr. 20, 2002). In the interests of full disclosure, it should be noted that the author is an elected member of CIRA's board of directors.

173. CIRA, CIRA DOMAIN NAME DISPUTE RESOLUTION RULES ¶ 6.4 (2001), available at [http://www.cira.ca/officialdoc/96.rules\\_final\\_November\\_29\\_2001\\_en.pdf](http://www.cira.ca/officialdoc/96.rules_final_November_29_2001_en.pdf).

174. *Id.* ¶ 6.5.

Accordingly, it would be beneficial to create new limits that ensure that all panelists are afforded the opportunity to preside over a roughly equivalent number of cases and that no panelist gets *too many* cases. The minimum cases would likely be expressed by a raw number, perhaps no less than three cases per year. The maximum caseload would likely be expressed as a percentage, perhaps no more than 3% of a provider's total caseload. Establishing these caseload minimums and maximums would reduce provider influence over panelist selection, increase the assurance of random case allocation and enhance the public perception of the UDRP's fairness.

### *C. New Quality Control Mechanisms*

Although eResolution did not publicize the fact on its website, it engaged in an annual quality control review of its panelists.<sup>175</sup> In 2000, ten panelists were removed from its roster due to quality control problems such as unreasonable delays in the release of decisions or failures to abide by the ICANN Rules.<sup>176</sup> Similar quality control mechanisms should become standard at all ICANN-accredited providers. Complainants and respondents alike will agree that the quality of individual panelists varies greatly. While this is not unexpected, all providers should play an active role in seeking to ensure that only the best panelists participate in the UDRP. The annual reviews should be conducted in public, with solicitations of comments from the public and the public release of those persons removed from each provider's roster.

### *D. Greater Transparency*

One of the greatest challenges in conducting this study was the lack of readily available data. Although all UDRP cases are posted and freely available, case reports vary in quality since there is no standard approach. Moreover, the current search functionality on both the ICANN and provider sites lack the functionality necessary to search by panelist and panel type — two critical considerations. As a result of this shortcoming, the author intends to post the data collected during

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175. See Thibault E-mail, *supra* note 142.

176. *Id.*

this study on a publicly available website.<sup>177</sup> In addition, the UDRP Publishing Protocol Project, hosted by Cornell Law School, plans to support the development of greater reporting standards.<sup>178</sup> ICANN, in conjunction with the providers, should make the availability of greater and more useful UDRP data a priority. Increased transparency in the entire process, from panelist selection to decision-making process, will only enhance public confidence in the system.

## V. CONCLUSION

The Domain Name Supporting Organization Names Council engaged in a study of the ICANN UDRP, though the future of that study was in doubt as of April 2002, due to an initiative to reform ICANN's governance structure.<sup>179</sup> Part II of this Article, which reviewed the development of a domain name dispute resolution policy dating back to the initial NSI policies in the mid-1990's, illustrates that policies have changed with surprising regularity as practical experience identifies the need for reform.<sup>180</sup> ICANN must not shy away from reforming the domain name dispute resolution policy yet again.

This study provides compelling evidence that forum shopping has become an integral part of the UDRP and that the system may indeed be biased in favor of trademark holders. Both WIPO and the NAF, the two dominant ICANN-accredited arbitration providers, feature case allocation data that suggests that the panelist selection process is not random. Rather, it appears to be heavily biased toward ensuring that a majority of cases are steered toward complainant-friendly panelists. Moreover, the data shows that there is a correlation between

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177. See Geist-Database, *supra* note 30.

178. See Cornell Law School, *Index of /udrp*, at <http://udrp.law.cornell.edu/udrp> (last visited Apr. 20, 2002).

179. See Domain Name Supporting Organization of ICANN, *UDRP Review and Evaluation, Terms of Reference*, at <http://www.dns0.org/dns0/notes/2001.NC-tor-UDRP-Review-Evaluation.v1.html> (amended with the NC motion voted on Aug. 11, 2001) (last visited Apr. 20, 2002).

180. See A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17, 58-59 (2000) ("NSI's control over the mechanics of registration allowed it to, and perhaps even operationally required it to, make decisions that had policy implications. The most controversial of these was undoubtedly NSI's frequently amended 'dispute policy.'").

provider panelist selection and case outcome. When providers control who decides a case, as they do for all single panel cases, complainants win just over 83% of the time.<sup>181</sup> As provider influence over panelists diminishes, as occurs in three-member panel cases, the complainant winning percentage drops to 60%.<sup>182</sup>

The solution to the forum shopping and bias issues may be relatively simple — the adoption of the three-member panel as the default approach. When combined with protective measures such as caseload minimums and maximums, transparent quality control mechanisms and greater accountability through standardized disclosure, the reforms would succeed in instilling greater confidence and fairness in the UDRP.

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181. Geist-Database, *supra* note 30.

182. *Id.*

## ANNEX A

## PANELISTS LISTED WITH MORE THAN ONE PROVIDER

(As of July 31, 2001)

	<b>PANELIST</b>	<b>NAF</b>	<b>eRes</b>	<b>CPR</b>	<b>WIPO</b>
1.	Bansal, Ashwanie Kumar	Yes	–	–	Yes
2.	Bernstein, David H.	Yes	–	Yes	Yes
3.	Bianchi, Roberto A.	Yes	–	–	Yes
4.	Bridgeman, James Jude	Yes	Yes	–	Yes
5.	Carson, Ross	–	Yes	–	Yes
6.	Chiasson, Edward C.	Yes	Yes	Yes	Yes
7.	Christie, Andrew	–	Yes	–	Yes
8.	Creel, Thomas L.	–	–	Yes	Yes
9.	DeCicco, Paul Michael	Yes	Yes	–	Yes
10.	Diaz, Hon. Nelson A.	Yes	–	Yes	–
11.	Doi, Teruo	–	Yes	–	Yes
12.	Donahey, M. Scott	Yes	Yes	Yes	Yes
13.	Elliott, Clive Lincoln	Yes	–	–	Yes
14.	Fashler, Robert A.	Yes	Yes	–	Yes
15.	Gabay, Mayer	Yes	–	–	Yes
16.	Gulliksson, Jonas	Yes	–	–	Yes
17.	Haviland, Dana	–	Yes	–	Yes
18.	Hill, Richard	Yes	Yes	–	Yes
19.	Hudis, Jonathan	Yes	–	–	Yes
20.	Introvigne, Dr. Massimo	Yes	–	–	Yes
21.	Iteanu, Olivier	Yes	–	–	Yes
22.	Jayaram, Hariram	Yes	–	–	Yes
23.	Kaufman, Jeffrey H.	Yes	–	–	Yes
24.	Kim, Young	Yes	–	–	Yes
25.	Knopf, Howard P.	–	Yes	–	Yes
26.	Kyle, Rodney C.	Yes	Yes	–	–
27.	Lametti, David	–	Yes	–	Yes
28.	Le Stanc, Christian	Yes	–	–	Yes
29.	Lee, Moon Sung	Yes	–	–	Yes
30.	Leger, Jacques A.	Yes	Yes	–	Yes
31.	Leonardos, Gabriel	Yes	Yes	–	Yes

	PANELIST	NAF	eRes	CPR	WIPO
	Francisco				
32.	Li, Yong	Yes	Yes	–	Yes
33.	Limbury, Alan Lawrence	Yes	Yes	–	Yes
34.	Lisman, Natasha C.	–	Yes	–	Yes
35.	Lowry, Houston Putnam	Yes	Yes	–	–
36.	Machado, Eduardo Maga lhaes	Yes	–	–	Yes
37.	Mason, Paul E.	–	Yes	–	Yes
38.	Methvin, Gaynell C.	–	–	Yes	Yes
39.	Michaelson, Peter L.	Yes	Yes	Yes	Yes
40.	Mille, Antonio	–	Yes	–	Yes
41.	Ophir, Michael	Yes	–	–	Yes
42.	Osborne, Dawn	Yes	Yes	–	Yes
43.	Perritt, Henry	–	Yes	–	Yes
44.	Pimenta, Luiz Edgard Montaury	Yes	–	–	Yes
45.	Plant, David	–	–	Yes	Yes
46.	Richard, Hugues G.	Yes	Yes	–	Yes
47.	Samuels, Jeffrey M.	Yes	–	–	Yes
48.	Schanda, Reinhard	Yes	–	–	Yes
49.	Sellers, Sandra A.	–	Yes	Yes	–
50.	Semuyaba, Justine	Yes	Yes	–	Yes
51.	Singh, Maninder	Yes	–	–	Yes
52.	Sol Muntanola, Mario A.	Yes	–	–	Yes
53.	Swinson, John V.	–	Yes	–	Yes
54.	Szamosi, Dr. Katalin	Yes	–	–	Yes
55.	Thompson, Roderick M.	–	–	Yes	Yes
56.	Triana, Fernando	Yes	–	–	Yes
57.	Turner, Jonathan DC	–	Yes	–	Yes
58.	Ulmer, Nicolas Courtland	Yes	–	–	Yes
59.	Upchurch, Hon. John J.	Yes	–	Yes	–
60.	Wallace, Anne M.	Yes	Yes	–	–
61.	Wallberg, Knud	Yes	–	–	Yes
62.	Weinstein, Jordan	–	Yes	–	Yes
63.	Woo, Jisuk	–	Yes	–	Yes