

# Using the UDRP to target complaints websites: towards greater certainty?

John Natal, Freehills

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John Natal is a Graduate-at-Law at Freehills' Sydney office.

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The Uniform Dispute Resolution Policy (UDRP) has become the dispute resolution mechanism of choice for trade mark owners (**Owners**) attempting to silence complaints websites operating from domain names similar to the Owners' trade marks. Recent advances in the accessibility of Internet technology have meant that individuals with gripes about the practices of corporations or individuals can quickly and cheaply construct websites listing these grievances as well as any grievances solicited from the online public. These complaints websites are used to generate negative PR for the target Owner, in an attempt to shame them into acquiescing to the demands of the website operator. In some cases, complaints websites have also been used to attempt to extract money from the target in exchange for silence.

In many cases, complaints websites are located at domain names similar to the targeted Owner's trade marks, in the hope that potential clients of the Owner will stumble upon the complaints website when actually seeking the Owner's website. Where the domain name of a complaints website closely resembles the targeted Owner's trade mark, the Owner may be able to bring an action against the complaints website domain name registrant under the UDRP. If the Owner's action is successful, the Owner can have the domain name compulsorily transferred to them. This mechanism is not exclusive to complaints websites – it applies to any domain name which is alleged to infringe an Owner's marks.

The Internet Corporation for Assigned Names and Numbers (**ICANN**) created the UDRP, intending that its alternative dispute resolution (**ADR**) process be cheap and expedient in comparison to litigation. Most anecdotal evidence suggests that this

is the case. However, the process only applies to the domain name, rather than the underlying content of a complaints website. Consequently, even if a UDRP action is successful and the domain name is forcibly acquired by the relevant Owner, the complaints content could simply be moved to a domain unrelated to the relevant mark. Nonetheless, the UDRP at least ensures that websites that criticise an Owner are shunted to domains unlike the Owner's trade marks, where such sites may get less traffic.

The UDRP mechanism is operated by a number of ICANN-approved ADR Providers (**Providers**). The largest two Providers are the World Intellectual Property Organisation (**WIPO**) and the National Arbitration Forum (**NAF**), who together control the majority of the UDRP market.

Unfortunately, the complaints website cases so far lack a unified underlying rationale, for the most part, due to the summary use of extrinsic legal principles foreign to the UDRP. As a result, the area lacks legal certainty and does not necessarily allow people to order their affairs with antecedent knowledge of their legal status. This inconsistency, the existence of multiple forums and Owners' unilateral ability to elect the arbitrator of their dispute, has also opened the door to forum-shopping by Owners.

The effects of the ADR mechanisms used in UDRP cases, the absence of precedent requirements in such cases and the fluidity anecdotally ascribed to ADR cannot alone account for the inconsistency of the decisions so far. Near-identical scenarios have yielded opposite outcomes, both within the decisions of a single Provider and across Providers. Differing lines of reasoning have also been accepted by the Providers' Administrative Panels (**Panels**) that arbitrate the individual

disputes, without attempts to either reconcile competing rationales or make a strong case for one in favour of another.

In Panel decisions, all Providers have recognised the legitimacy of complaints websites<sup>1</sup> – the only point of contention surrounds their ability to operate from domain names confusingly similar to the trade marks of their target Owners. One line of reasoning says that leveraging off this similarity and confusion is legitimate, while another says that it is proscribed by the UDRP. Nonetheless, cases across the spectrum have recognised that the 'initial interest confusion' caused by hosting the complaints website from a domain name confusingly similar to that of the trade marks of the targeted Owner are essential to the website getting exposure and fulfilling its purpose<sup>2</sup>.

## 1 Targeting a complaints website: the UDRP provisions

Owners seeking to forcibly acquire a domain name used by a complaints website must prove the three elements set out in paragraph 4(a) of the UDRP. These elements are common to all domain name disputes involving trade marks. The Owner must prove that:

- (a) the domain name is identical or confusingly similar to a trade or service mark in which the Owner has rights; (**Confusing Similarity Requirement**)
- (b) the registrant has no rights or legitimate interests in respect of the domain name (**Rights/Legitimate Interests Requirement**); and
- (c) the domain name has been registered and is being used in bad faith (**Bad Faith Requirement**).

There was an initial degree of vacillation in deciding the application of the Confusing Similarity Requirement, but recently, decisions have mostly consistent policy. The Rights/Legitimate Interests and Bad Faith Requirements, however, have been interpreted and applied inconsistently, with different Panels adopting differing positions based on either the UDRP or imported extrinsic legal principles. This inconsistency is particularly apparent with regard to paragraphs 4(b) and 4(c) of the UDRP.

Paragraph 4(b) of the UDRP sets out four non-exhaustive forms of registrant conduct any of which, if found to exist, will constitute conclusive evidence that the domain name has been registered and used in bad faith, satisfying the Bad Faith Requirement. Of these forms of conduct, paragraph 4(b)(iii) has been raised in several complaints website cases and states that where a domain name has been registered primarily for the purpose of disrupting the business of the Owner, bad faith is made out. Unfortunately, no uniform approach to the application of this has emerged.

Paragraph 4(c) of the UDRP sets out three non-exhaustive forms of registrant conduct any of which, if proved, are evidence of the registrant's rights and/or legitimate interests in the domain name, and provide the registrant with a 'safe harbour' from action by the Owner, since the Rights/Legitimate Interests Requirement in paragraph 4(a)(ii) cannot be satisfied when paragraph 4(c) is proved. Most registrants in complaints website cases have attempted to use paragraph 4(c)(iii), which states that registrant rights or legitimate interests to a domain name are proved if the registrant is making legitimate noncommercial or fair use of the domain name, without intent for commercial gain, to 'misleadingly divert' consumers or to tarnish the relevant mark.

## **2 Legal & General Group plc v Image Plus**

On 30 December 2002, a WIPO Panel handed down its decision in *Legal & General Group plc v Image Plus*<sup>3</sup>. Legal & General Group plc (**L&G**) sought to have <legal-and-

general.com> compulsorily transferred to it, but this was rejected in a 2:1 decision and Image Plus retained the disputed domain. The majority decision canvassed the divergent views regarding paragraph 4(c)(iii) and argued what they considered to be the preferable position – something not previously undertaken. Unfortunately, their reasoning was too brief to conclusively address the issue, especially given that they adopted the opposite position to that taken by NAF and some WIPO cases.

L&G is a large financial services company with international operations and which owns a number of registered trade marks, including 'Legal & General'. All of its trade marks were registered before Image Plus registered its domain name. L&G is also the registrant of a number of <.com> domain names based on its trade marks, including <legalandgeneral.com> and <landg.com>.

Image Plus registered <legal-and-general.com> and hosted a complaints site that solicited and posted complaints about L&G from the public. Nothing on the website explicitly stated that it was not associated with L&G, although the website's abrasive nature indicated this to the majority of users and all complaints posters bar one. L&G asserted that the domain name's administrative contact was a disgruntled former employee.

The majority found that the Confusing Similarity Requirement was made out since the disputed domain name was confusingly similar to L&G's trade marks, notwithstanding the substitution of "and" in the place of "&" and the use of hyphens.

The majority then considered the Rights/Legitimate Interests Requirement, with the registrant (predictably) arguing that its operation fell under the paragraph 4(c)(iii) 'safe harbour'. The Panel considered the elements of paragraph 4(c)(iii), adopting the break-down of the paragraph outlined in *Mission KwaSizabantu*<sup>4</sup>, where it was stated that the registrant, to succeed, must prove that its use of the domain name was:

- legitimate non-commercial or fair use;
- without intent for commercial gain;
- without intent to misleadingly divert consumers; and
- without the intent to tarnish the trade mark of the Owner.

The majority posited that one line of argument is that the use of a domain name identical or confusingly similar to the relevant marks is not a 'fair use' and/or results in the 'misleading diversion' of users (**Domain Name Approach**). Under this approach, a domain name will not attract the protections of paragraph 4(c)(iii) unless the domain name itself, rather than the content of the website, indicates that the Owner is unaffiliated with the website, or the domain name is inherently generic (in which case it would not satisfy the Confusing Similarity Requirement in paragraph 4(a)(i) anyway). The cases where this line of argument prevails generally state that while online critiquing alone is not prohibited by the UDRP, doing so from a confusingly similar domain is not permitted<sup>5</sup>. The majority also canvassed a second argument that a domain name's confusing similarity with another name does not necessarily mean that the registrant lacks legitimate interests. Instead, if the website is genuinely about complaints, the requirements (absent some forms of registrant conduct, such as "tarnishing" of the Owner's trademark) of paragraph 4(c)(iii) are satisfied and the action by the Owner fails, regardless of any confusing similarity (**Content Approach**).

In *L&G v ImagePlus*, the majority used the Content Approach on the basis that the words of paragraph 4(c)(iii) supported an examination of the content of the site in addition to the domain name itself. The majority also noted that accepting the Domain Name Approach would effectively nullify paragraph 4(c)(iii). Unlike many Domain Name Approach cases, the majority declined to import extrinsic legal principles into their decision. Given their finding that Image Plus had a legitimate interest in the domain name pursuant to the Domain Name Approach, on the basis that it was operating a legitimate

complaints website, the majority did not have to consider the question of bad faith.

The minority agreed that the domain name was confusingly similar to L&G's mark, but preferred the Domain Name Approach on the question of legitimate interests, finding that the registrant had none. Unfortunately, there was no accompanying reasoning. The minority also found that bad faith existed, notwithstanding that the registrant's conduct did not fall under paragraph 4(b). It was argued that Image Plus' conduct was intended to disrupt the business of L&G and to divert traffic to the complaints website, constituting bad faith.

### **3 Changing the provisions of the UDRP**

The UDRP utilises ADR mechanisms, which import characteristics distinct from traditional litigation, such as freedom from the strictures of evidentiary rules and precedent. While adopting these ADR characteristics may confer cost and efficiency benefits, the problems outlined above create a strong case for at least the partial adoption of greater formality in proceedings.

#### **3.1 Present problems**

Under paragraph 15(a) of the UDRP, a Panel can decide a case based on "any rules and principles of law it deems applicable". Furthermore, the UDRP does not provide for Panels to be bound by the constraints of precedent that exist in most courts. In essence, the choice of law and the relevance of prior decisions are left to the discretion of the Panelists. As frequently occurs, especially in NAF decisions<sup>6</sup>, extrinsic legal principles (in NAF's case, American trade mark and First Amendment law) are given precedence over the words and structure of the UDRP. While this enhances the informality and efficiency of the process, it can also lead to inconsistency in Panel decision-making.

There are numerous arguments for a greater degree of legal formality in the UDRP. From a commercial perspective, the scope of the UDRP

impacts on key areas of trade and commerce where pre-emptive regulatory certainty is essential, especially as the use of e-commerce increases. Furthermore, it is contrary to the fundamentals of the rule of law that factually analogous cases are decided differently within one jurisdiction and legal forum, regardless of whether the case is decided in an ADR forum. It is also quite plausible that the time and cost savings arising from the informality of UDRP actions are offset by inefficient disputant behaviour (eg search costs for an accommodating Provider) or negative externalities (eg lost productivity due to regulatory uncertainty). Finally, ICANN clearly intended that the UDRP become the 'uniform policy' for deciding such domain name disputes (hence its name), not a mere procedural framework for arbitration under the auspices of summarily adopted extrinsic legal principles.

The problems created by the extensive importation of extrinsic legal principles and the failure to adhere to precedent are magnified by paragraph 4(d) of the UDRP, which states that an Owner is unilaterally empowered to appoint a Provider to arbitrate the dispute. Consequently, where different Providers arrive at different conclusions based on the same facts, especially on clearly identifiable legal issues, the propensity of Owners to engage in forum shopping increases.

#### **3.2 Possible UDRP modifications**

UDRP processes would benefit if the ability of Panels to arbitrarily import bodies of extrinsic legal principles into their adjudication of a dispute was curtailed. Admittedly, the UDRP is designed to deal with a diverse variety of domain name misconduct (including cybersquatting and reverse domain name hijacking) in one brief document. Nonetheless, the summary importation of broad swaths of extrinsic law should be prohibited, with the UDRP expressly stating that its words and structure should be the primary foundation for all decisions. Only where a principle is not adequately described in the UDRP should Panels be able to either formulate law from first principles or

import an analogous concept from a national legal system. Preferably, the UDRP could be modified to establish an oversight board or a precedent-creating tribunal that hears 'test' cases, extending across Providers, which would formulate advisory opinions or issue binding case decisions (respectively) on unsettled issues. Such initiatives are supported by comments made by Panels deciding complaints website cases who have noted the polarisation of opinion on some issues. Until some form of appellate or advisory body is created, this polarisation will persist<sup>7</sup>.

The UDRP should also provide that past decisions, regardless of the Provider, carry at least persuasive value. Subsequent Panels should be required to address relevant prior cases raised by the parties in their submissions. This would import some measure of the discipline provided by precedent, without moving completely to the court-room formality of binding precedent which ADR processes attempt to avoid.

Finally, given that total consistency is rare, even in court-based processes, paragraph 4(d) should be abolished to prevent Owners from forum shopping. Instead, ICANN should establish a Provider roster system, with disputes randomly allocated to Providers based on the number of Panelists they have registered. Geographic issues would not arise for Panelists since they, regardless of nationality, would be adept at adjudicating on a consistent, 'universal' UDRP, and difficulties would not arise for parties as, even now, the entire UDRP process occurs online.

### **4 Adopting a uniform complaints website policy**

A great deal of the present uncertainty would be eliminated if Providers adopted a uniform interpretation of the provisions of the UDRP relevant to complaints website domain name disputes. This could occur through the revision of the UDRP or by instituting a mechanism for the provision of advisory opinions. Whilst some flexibility would be essential to the continued attractiveness of the UDRP mechanism as a cheap, expedient alternative to traditional litigation,

such a mechanism could form a middle ground.

Furthermore, any such policy should accurately reflect the pragmatic realities of complaints website operation. Such websites will almost inevitably operate from confusingly similar domain names but those that are legitimate should not fall afoul of the Rights/Legitimate Interests Requirement and the Bad Faith Requirement in paragraph 4(a)<sup>8</sup>.

#### **4.1 Confusing Similarity Requirement – the first limb**

The first limb of paragraph 4(a) was the subject of some uncertainty when complaints websites disputes first came to be arbitrated, particularly the ‘sucks’ breed of domain names. However, both leading Providers appear to have settled on a relatively consistent approach (despite some occasional digressions<sup>9</sup>) serving as a de facto uniform policy.

It is clear that a domain name that incorporates an Owner’s trade mark in its entirety is identical or confusingly similar to that mark<sup>10</sup>. Furthermore, a domain name composed predominantly of the relevant mark, albeit with subtle typographical variations, such as the substitution of ampersand with ‘and’ and/or the insertion of hyphens (or other symbols)<sup>11</sup>, the removal of apostrophes<sup>12</sup>, or the insertion of generic abbreviations<sup>13</sup>, will satisfy the Confusing Similarity Requirement in 4(a)(i).

It also appears that a domain name that contains the relevant mark in its entirety along with other (usually generic) words will be found to be confusingly similar<sup>14</sup>, unless these generic words operate to make clear that the Owner is not associated with the website in question. In several early cases, Panels found that domain names created by combining a trade mark and a disparaging term (such as ‘sucks’) were confusingly similar, arguing either that consumers would be confused<sup>15</sup>, or that the mark and the domain name caused confusion when compared to each other<sup>16</sup>. However, recent cases since *Walmartcanadasucks.com*<sup>17</sup> have rejected these positions, instead holding that a domain name will not

be confusingly similar where it is a combination of a trade mark with a (generally disparaging) term which indicates that the Owner is not affiliated with the domain name.

#### **4.2 Rights/Legitimate Interest Requirement – the second limb**

##### **(a) Content Approach vs Domain Name Approach**

The Rights/Legitimate Interest Requirement is probably the most problematic of the three limbs of paragraph 4(a). WIPO Panels have vacillated between the Domain Name Approach and the Content Approach, while NAF has quite consistently followed the Domain Name Approach.

Since paragraph 15 of the UDRP sanctions the use of extrinsic legal principles in UDRP decisions, the case for the Domain Name Approach and the Content Approach can be argued. However, based on the words and structure of the UDRP, the Content Approach appears to be the correct approach.

In *Legal & General*, the majority argued that the Content Approach is more consistent with the words of paragraph 4(c)(iii). In my view, this assertion is correct, given that paragraph 4(c)(iii) contemplates the “use” of the domain name and “tarnish[ing] the mark”. Both of these concepts necessarily focus on the content of a website rather than its domain name. Apart from trading in domain names, any other use would usually involve the creation of content on a website operating from the name. Similarly, it is difficult to contemplate how a domain name could tarnish a mark (unless it was just: <a sentence gravely disparaging of the mark.com>) without there being some accompanying content.

The majority in *Legal & General* also noted that paragraph 4(c)(iii) would be made redundant by accepting the Domain Name Approach. This assertion, while in my view generally correct, does not necessarily hold in all cases. For the Domain Name Approach to render paragraph 4(c)(iii) redundant, all domain names satisfying the Confusing Similarity

Requirement in paragraph 4(a)(i) must necessarily fall outside the scope of paragraph 4(c)(iii). This would require the different legal tests applicable to each of paragraphs 4(a)(i) and 4(c)(iii) to be interpreted identically, notwithstanding their different wording. Thus, the majority’s description of the Domain Name Approach (and their disavowal of it) is only justified to the extent that the Confusing Similarity Requirement is legally equated by a Panel to any of the paragraph 4(c)(iii) requirements. Where this occurs based merely on the facts of a particular case, their conclusion does not hold.

While no complaints website case has expressly adopted the Domain Name Approach by stating that the requirements for paragraphs 4(a)(i) and 4(c)(iii) are the same, numerous cases (**Domain Name Cases**), especially those influenced by US law, have tacitly made this connection<sup>18</sup>. Many of these have intertwined the issues relating to the Confusing Similarity Requirement with the key requirements in paragraph 4(c)(iii), none of which refer to confusing similarity. In *Valero Energy*<sup>19</sup>, for example, the Panel found that the ‘initial interest confusion’ created by the confusingly similar domain name (at least until the disclaimers on the website were read) meant that the registrant was not making ‘fair use’ of the domain name. In *The Paxton Herald*<sup>20</sup>, the Panel found a connection between confusing similarity and another limb of paragraph 4(c)(iii) in deciding that the use of the Owner’s mark resulted in the ‘misleading diversion’ of consumers to the complaints website. In other cases, only the basic tenets underpinning the Domain Name Approach have been noted, with conclusions ostensibly arrived at on the facts. For example, in *LloydsTSB*<sup>21</sup>, the distinction between the right to complain about and the right to use an infringing domain name for the purpose of making complaints was noted, before the paragraph 4(a) requirements were held to exist based on the facts, rather than the policy grounds underpinning the Domain Name Approach.

Essentially, the Domain Name Cases have held that the requirements of paragraph 4(c)(iii) attach exclusively

to the domain name, with no consideration given to the content the name hosts. As a result, they have held that the use of a confusingly similar domain name breaches either the 'fair use' or 'misleadingly diverting consumers' criteria of paragraph 4(c)(iii) and that while the registrant's freedom to criticise the target is protected, their liberty to do so from a domain name that is confusingly similar to the target Owner's mark is not<sup>22</sup>. However, absent the importation of US First Amendment and trade mark law, there is nothing in the words or structure of the UDRP upon which to base this contention. It may also be said that legitimate complaints websites serve a public interest and as such should be protected. If that proposition is accepted, my view is that it appears incongruous that complaints websites should only be protected when hosted from domain names unrelated to the marks of their targets, where consumers may not become aware of the websites' content.

In addition, there is much to be said for the proposition that had ICANN wanted to equate the legal tests applicable to paragraph 4(c)(iii) and the paragraph 4(a)(i) Confusing Similarity Requirement, identical phrases would have been used in each paragraph, or that the paragraph 4(c)(iii) 'safe harbour' would not have been included were it ICANN's intention that a finding of confusing similarity (a prerequisite to the examination of legitimate interests) quash a registrant's eligibility for 'safe harbour' every time.

Consequently, my view is that, extrinsic law aside, the Content Approach is the preferable approach to the UDRP's provisions. However, there remains significant latitude to expound upon the *Legal & General* majority's rationale for the adoption of the Content Approach in the context of complaints website cases, and to add greater certainty to the area by adopting a uniform interpretation of the UDRP.

Any such interpretation would have to conform with the purpose of the UDRP to resolve disputes over domain names where there are allegations of trade mark infringement. This purpose has been

repeatedly noted by Panels<sup>23</sup>, which have also stated that the UDRP's purpose is not to serve as a mechanism for the resolution of broader trade mark disputes, or more generalised domain name misconduct. In many Domain Name Approach Cases, Panels have found that registrants lack legitimate interests, apparently swayed by egregious registrant conduct related more to the website content than the domain name itself.

While superficially the Domain Name Approach would appear better suited to the UDRP's purpose, it is evident from its words that ICANN anticipated that the scope of the examination in determining domain name disputes would be broader than the domain name alone. This purpose does suggest, however, that where appropriate, the domain name should be the primary focus of the inquiry. But this is not the limit of the scope of the inquiry – where permissible under the terms of the UDRP, a website's content may also be relevant. As noted above, the words of paragraph 4(c) indicate that a broader inquiry is required.

#### **(b) Common policy on key concepts**

In addition to the universal adoption of the Content Approach as the preferable UDRP interpretation for complaints website cases, further certainty would be achieved if a general policy was formulated to set out interpretation of the key requirements and concepts in paragraph 4(c) as they apply to complaints websites. Such a policy would be based primarily on the words and structure of the UDRP, to the exclusion of extrinsic legal notions.

Paragraph 4(c)(iii)'s 'commercial use' test would be based on whether the registrant has attempted to gain financially from the operation of the complaints website. Evidence of the sale of goods via the website, attempts to sell the domain name to the target or 'buy silence', or the use of banner advertising, would place a domain name outside the paragraph's ambit<sup>24</sup>.

The 'intention to tarnish the trade mark' requirement would be set at a high standard, well above bona fide criticism and the reporting of genuine

concerns about the target. Any lesser standard would effectively curtail freedom of speech and unjustifiably extend the UDRP's mandate from trade mark related domain name disputes to content related intellectual property and/or defamation matters. In *Britannia* it was stated that "[t]arnishment in this context refers to unseemly conduct as linking unrelated pornographic, violent or drug-related images or information to an otherwise wholesome mark...fair-use criticism...does not constitute tarnishment"<sup>25</sup>. This would be a good starting point for the formulation of a policy.

The 'fair use' or 'legitimate non-commercial use' aspects of such a policy would recognise that the hosting of complaints websites constitutes such use for a confusingly similar domain name which otherwise abides by all the other aspects of paragraph 4(c). This has been recognised in a number of complaints website cases<sup>26</sup>. The concept of 'fair use' generally entails exceptions made to an Owner's rights in the name of public interest, such as for research or criticism, a concept which has also been recognised in complaints website arbitrations<sup>27</sup>. There is a public interest served by the activities of individuals who, sufficiently motivated by genuine concerns about a business' or organisation's practices, establish Internet sites raising awareness of their concerns. Arguably, the costs involved in doing so, along with the non-commercial requirement of paragraph 4(c)(iii), would probably discourage most opportunistic or exploitative 'complainers', whilst the trade mark would be protected from excessive or needless opprobrium by the 'tarnishing' limitation.

Finally, the 'misleadingly divert consumers' requirement in paragraph 4(c)(iii) would involve an examination of all the circumstances, including both the domain name and the underlying content, bearing in mind that in order to avoid the strict Domain Name Approach, there must be a distinction between this and the Confusing Similarity Requirement. The wording of these requirements clearly indicates that there is meant to be a subtle but important distinction between them. With the odd exception<sup>28</sup>, the Confusing Similarity

Requirement appears to have been settled as an examination of whether a consumer would be confused about a trade mark Owner's association with a domain name due to similarities between the name and the Owner's marks. However, 'misleading diversion' requires more than this.

Confusing similarity must inevitably exist to warrant an examination of legitimate interests, and Providers should adopt a position where this confusion constitutes *prima facie* evidence of 'misleading diversion', but no more. This conclusion should be able to be avoided if there are clear indications to users that the targeted Owner is not associated with the complaints website, such as prominent disclaimers at the opening page. As was noted in *Mission KwaSizabantu*<sup>29</sup>, the 'initial interest confusion', which has formed the backbone of the reasoning in many Domain Name Cases<sup>30</sup>, should not be found to alone satisfy the 'misleading diversion' requirement. Domain Name Cases have held that this confusion undermines the legitimacy of a registrant's use of the domain name and that once it occurs, no amount of disclaiming on the website itself can undo the 'loss' or 'damage' suffered, that is, drawing the user to the complaints website<sup>31</sup>. However, the Content Approach cases have held that this 'initial interest confusion' is 'of no moment'<sup>32</sup>, a 'price worth paying' for the free exchange of ideas<sup>33</sup>, and easily undone by consumers by using the [BACK] button on browsers<sup>34</sup> or through disclaimers<sup>35</sup>. 'Initial interest confusion' perpetrated by legitimate complaints websites that do not commercially compete with their targets does not undermine the rights of Owners, as users can simply elect to ignore the site and move to the Owner's site. It does not appear justified to characterise this transitory redirection of users for the legitimate purpose of airing complaints as a 'loss' or 'damage', especially where the complaints are true and voicing them is in the public interest.

As such, where 'initial interest confusion' is rapidly dispelled through disclaimers or otherwise, and the complaints website does not commercially compete with the Owner, 'misleading diversion' should not be made out. Alternatively, the

liberal position in *Britannia* could be adopted where 'misleading diversion' only exists where there is diversion for the purpose of poaching sales and/or clients.

### **4.3 Bad faith – the third limb**

Bad faith registration and use is the final element which must be proven by an Owner under paragraph 4(a). Like the Rights/Legitimate Interests Requirement, the Bad Faith Requirement has generated a broad spectrum of Panel opinions. In most complaints website cases, however, the Rights/Legitimate Interests Requirement has been the deciding factor, with the Bad Faith Requirement being interpreted as a mere back-up of the conclusions reached using the Rights/Legitimate Interests Requirement. Those cases that have found a lack of legitimate interests and a failure of the complaints website's domain name to fall within paragraph 4(c) (essentially the Domain Name Approach Cases) have almost always found that bad faith exists, based on near identical indicia as that used to find no legitimate interests.

Paragraph 4(b)(iii), which states that bad faith is evidenced by the registration of the domain name for the primary purpose of disrupting the business of a competitor (the Owner), has been considered in a number of complaints website cases. No uniform view has emerged, but several Domain Name Cases have found that operating a complaints website from a confusingly similar domain name constitutes a disruption of the Owner's business. The high-water-mark for paragraph 4(b)(iii) remains *Mission KwaSizabantu*, where 'competitor' was broadly read to encompass any party 'in opposition' to the Owner, in business or some other way, encompassing the registrants of complaints websites<sup>36</sup>. However, this position has been repeatedly criticised<sup>37</sup>, with *Britannia* positing the preferable interpretation that "a competitor for the purposes of the Policy is a person or entity in competition with a complainant for the provision of goods or services, and not merely any person or entity with an interest oppositional to that of a mark holder"<sup>38</sup>. This latter position better

accords with the intention and words of the UDRP and should be adopted by any uniform interpretation, placing complaints websites, except those run by commercial competitors of the targeted Owner, outside the ambit of paragraph 4(b)(iii).

As for legitimate interests, Panels should develop an interpretation stipulating what constitutes bad faith in complaints website cases. Just as a registrant's use of a confusingly similar domain name to host a legitimate complaints website (thus resulting in 'initial interest confusion') should not alone constitute a lack of legitimate interest in the name, such conduct by itself should not be held to be an act of bad faith.

Given that none of paragraph 4(b) of the UDRP would normally apply to a complaints website, a uniform policy could adopt, as indicators of bad faith, conduct identified in complaints website cases which transcends what is necessary for the operation of a legitimate complaints website. Such conduct could include:

- registering a domain name to prevent an Owner from doing business from, or reflecting their trade mark in, the name (*Saint Gobain*<sup>39</sup>);
- making the complaints website appear visually similar to that of the targeted Owner, creating the impression of association (*LloydsTSB*);
- placing links on the complaints website to commercial competitors of the targeted Owner, diverting custom (*LloydsTSB*);
- publishing copyright or confidential material of the Owner on the complaints website (*LloydsTSB*);
- causing needless damage or disruption to the target, beyond what is necessary to operate a legitimate complaints website (*COGEMA*<sup>40</sup>);
- registering domain names for complaints websites to prevent the Owner from making its commercial presence known on

the Internet (*Bridgestone-Firestone*);

- using the complaints website for commercial gain, by attempting to sell the domain name to the targeted Owner at a profit (*DFO*), attempting to purchase 'silence' from the target or selling items via the website (*Valero Energy*);
- being a competitor of the targeted Owner and operating the complaints website (*Spence Chapin*); or
- selling or advertising products and services directed at thwarting the business activities of the targeted Owner (*Council of American Survey Research Organisations*<sup>41</sup>).

Obviously, the standard of registrant conduct required to justify a finding of bad faith should be high in order to reflect the egregious examples of conduct contained in paragraph 4(b) and prevent the stifling of legitimate criticism online. Matters such as the use of a confusingly similar domain name or the very nature of a complaints website should not of itself be evidence of bad faith, as has occurred in several Domain Name Approach Cases<sup>42</sup>.

## 5 Conclusion

As the importance of global e-commerce grows, a consistent and certain legal framework regulating disputes over Internet infrastructure is necessary. Owners' rights to have their trade marks protected from needless exploitation and debasement in the online environment must be upheld. At the same time, individuals' rights to effectively voice concerns about online protagonists and the public interest served by their activities must be protected. Unfortunately, the UDRP's operation as it applies to the arbitration of domain name disputes involving complaints websites does none of these things. Greater certainty must be imported into this dispute resolution mechanism, by changing the UDRP to exclude the distracting effects of foreign law, introducing some notion of precedent, and adopting a logically consistent rationale to underpin decisions, based on the UDRP itself.

- 1 For example, in *Britannia Building Society v Britannia Fraud Prevention* WIPO Case No D2001-0505 (*Britannia*), it was stated: "A genuine criticism site, undertaken by its proprietors with no intent other than to protest, ridicule and mock its targets, does not fall astray of the dictates of the Policy, regardless of the outrageousness of the allegations it contains or the vigorousness with which they are made."
- 2 For example, it was stated in *Estee Lauder Inc. v estelauder.com, estelauder.net and Jeff Hanna* WIPO Case No D2000-0869 (*Estee Lauder*), which held that a complaints website could not operate from a domain name confusingly similar to that of the targeted Owner, that: "Since Respondent's avowed purpose is to create and maintain a 'consumer complaint site' concerning Complainant's products, the domain names used would be of little use to Respondent if they were not of sufficient confusing similarity with Complainant's trade or service marks so as to attract potential complainants."
- 3 *Legal & General Group Plc v Image Plus* WIPO, Case No D2002-1019 (*Legal & General*).
- 4 *Mission KwaSizabantu v Benjamin Rost* WIPO, Case No D2000-0279 (*Mission KwaSizabantu*).
- 5 For example, *Spence-Chapin Services to Families and Children v Spence-Chapin, LLC a/k/a Stanley Wynman* NAF Case No FA00114770 (*Spence-Chapin*).
- 6 See, for example, *Annette A Antoun d/b/a The Paxton Herald v Truth Squad* NAF Case No FA0207000114766 (*The Paxton Herald*), *Annette A Antoun d/b/a The Paxton Herald v Stephen Millard* NAF Case No FA0207000114770 (*The Paxton Herald II*) or *Spence-Chapin*.
- 7 For example, in *The Royal Bank of Scotland Group plc v natwestfraud.com and Umang Malhorta* WIPO Case No D2001-0212 (*Natwestfraud*), it was stated: "Unless and until there is some appellate tribunal, this difference of opinion will endure."
- 8 In *Wal-Mart Stores, Inc. v. Richard MacLeod d/b/a For Sale* WIPO Case No. D2000-0662 (*Wal-Mart Stores*), it was stated that: "The "legitimate interest" and "bad faith" factors should adequately insulate true protest sites from vulnerability under the Policy".
- 9 For example, the decisions in *Natwestfraud* and *Britannia*, where it was argued that 'walmartsucks' could be confusing, notwithstanding earlier WIPO arbitrations finding to the contrary.
- 10 *Britannia*.
- 11 *Legal & General*.
- 12 *DFO, Inc v Christian William* WIPO Case No D2000-0181 (*DFO*).
- 13 *Spence-Chapin*, where the insertion of 'llec' along with the generic top level domain '<.com>' was held to not distinguish the domain name from the mark.
- 14 *Britannia*, where <britanniabuilingsociety.org> was held to be confusingly similar to the 'Britannia' trade mark.
- 15 For example, in *Standard Chartered PLC v Purge I.T.* WIPO Case No D2000-0681, where it was found that while some consumers would identify 'sucks' as deprecatory and would not be confused by a 'sucks' domain name, others would still be confused as to the existence of an association between the Owner and the domain name.
- 16 In *Wal-Mart Stores*, the Panel conceded that no reasonable English-speaker would believe that a trader would identify itself online using a 'sucks' domain name. It also rejected the previously accepted contention that consumers might be confused as to an Owner's association with a website if the domain was based on their mark combined with a disparaging word. Nonetheless, this Panel found for the Owner by finding that the test of confusing similarity was not based on consumer views, but rather by direct comparison between the mark and the domain name, which in this case, was satisfied.
- 17 *Wal-Mart Stores, Inc. v walmartcanadasucks.com and Kenneth J Harvey* WIPO Case No D2000-1104 (*Walmartcanadasucks.com*). Cases that have applied the same reasoning include *Lockheed Martin Corp. v Parisi* WIPO Case No D2000-1015 and *McLane Company, Inc. v Craig* WIPO Case No D2000-1455.
- 18 See for example, *Aon Reed Stenhouse Inc., Aon Canada Inc. and Aon Corporation v. Robin Beasse* NAF Case No FA0202000104576, *Coors Brewing Company v. Dave Zike a/k/a Handicapping DZ a/k/a Webnamesforsale* NAF Case No FA0202000104202, *Estee Lauder, Spence-Chapin, The Paxton Herald, and The Paxton Herald II*.
- 19 *Valero Energy Corporation v American Distribution Systems, Inc. d/b/a Default Data.Com and Brian Wick* WIPO Case No D2001-0581 (*Valero Energy*).
- 20 *The Paxton Herald*.
- 21 *Lloyds TSB Bank Plc v Paul Brittain* WIPO Case No D2000-0231 (*LloydsTSB*).
- 22 See for example, *The Paxton Herald* or *Spence-Chapin*.
- 23 See for example, *Walmartcanadasucks.com*.
- 24 See for example, *Valero Energy*.
- 25 *Britannia*.
- 26 *Britannia*.
- 27 For example, *Ahmanson Land Company v Save Open Space and Electronic Imaging Systems* WIPO Case No D2000-0858 where it was stated that: "Determinations regarding legitimate non-commercial and fair use under the Policy require a balancing of trade mark holder and other public interests."
- 28 See for example *Bridgestone Firestone, Inc., Bridgestone/Firestone Research, Inc., and Bridgestone Corporation v Jack Myers* WIPO Case No D2000-0190 (*Bridgestone*) where it was stated that "...the Panel concludes that the exercise of free speech for criticism and commentary also demonstrates a right or legitimate interest in the domain name under Paragraph 4(c)(iii)" and see also *Wal-Mart Stores*.
- 29 *Mission KwaSizabantu*.
- 30 Including the cases at note 6. above.
- 31 See for example, *The Paxton Herald* and *The Paxton Herald II*, where it was described as a "loss" and *LloydsTSB* and the dissenting finding in *Vishwa Nirmla*

- Dharma a/k/a Sahaja Yoga v Sahaja Yoga Ex-Members Network and SD Montford* WIPO Case No D2001-0467 (*Yoga*), where it was described as a form of "damage".
- 32 *Britannia*.
- 33 *Britannia*.
- 34 *Legal & General*
- 35 *Legal & General* and the majority finding in *Yoga*.
- 36 This approach was affirmed in *Estee Lauder*.
- 37 Initially in *Tribeca Film Center, Inc. v. Lorenzo Brusasco-Mackenzie* WIPO Case No D2000-1772, a non-complaints website case, which held that the *Mission KwaSizabantu* approach to what constitutes a 'competitor' would result in the "Policy's bad faith requirement [being] diluted beyond recognition".
- 38 *Britannia*.
- 39 *Compagnie de Saint Gobain v Com-Union Corp* WIPO Case No D2000-0020 (*Saint Gobain*).
- 40 *Compagnie Generale de Matieres Nucleaires v Greenpeace International* WIPO Case No D2001-0376 (*COGEMA*).
- 41 *Council of American Survey Research Organisations v The Consumer Information Organisation, LLC, a/k/a Pinelands Web Services* WIPO Case No D2002-0377 (*Council of American Survey Research Organisations*).
- 42 For example, in *Estee Lauder* where the registrant's "avowed 'dislike' of the Complainant...and the exclusively 'complaint' purpose of its sites" were used as evidence of bad faith registration, or *Spence-Chapin* where criticism of the Owner's business was held to constitute 'interference' with it, or *Council of American Survey Research Organisations* where registration "for the purpose of disparaging Complainant's business...had a commercial impact" and was thus an indicia of bad faith, or *Saint Gobain* where bad faith was found because the registrant "knowingly chose a domain name which is identical and limited to the trade mark" when it "could have chosen a domain name adequately reflecting both the object and independent nature of its site".
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## W3C Patent Policy

*Laura Seeto, Freehills*

Laura Seeto is a solicitor at Freehills, in the Telecommunications, Media & Technology Group.

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The World Wide Consortium (**W3C**), the international internet standards body, has approved the W3C Patent Policy (**Patent Policy**). The Patent Policy aims to reduce the threat of key components of Web infrastructure being the subject of patents which prevent further Web development, by ensuring that patented Web technologies are made available royalty-free.

According to W3C, the success of the Web to date has largely resulted from the early decision by W3C Members involved in building the Web to base the Web on royalty-free standards, and the adoption of the Patent Policy is a continuation of this commitment.

The Patent Policy provides that:

- all participants in Working Groups developing W3C Web standards (known as **Recommendations**) must agree to license essential claims, namely patents that block interoperability, on a royalty-free basis;
- in some circumstances, Working Group participants may exclude specifically identified patent

claims from the royalty-free commitment. This is conditional upon such exclusions being highlighted shortly after publication of the first public Working Draft of each Recommendation, to prevent difficulties arising from 'surprise' patents; and

- W3C members are required to disclose patents that may be essential to the Recommendation, while other parties who have seen the technical drafts of the Recommendation and have actual knowledge of potentially essential patents are requested to make similar disclosures.

In addition, the Patent Policy stipulates that where technologies proposed for inclusion in Recommendations are not available with terms consistent with the Patent Policy, for example in cases where the patent holder wishes to charge a fee, a Patent Advisory Group (**PAG**) will be convened to address the particular patent claim. The PAG will be comprised of W3C Members participating in the Working Group and may recommend that the patent be

legally analysed, instruct the Working Group to attempt to work around the patent or remove the patented technology, or may suggest ceasing all work in the area. If it is impossible to achieve consistency between the patent and the W3C licensing requirements, the PAG may recommend that an exception be made and the patented technology included in the Recommendation. If such a recommendation is made, the precise licensing terms must be publicly disclosed and are subject to review by the public, the W3C Membership and the W3C Director. According to W3C, this exception handling process was included in the Patent Policy to preserve a degree of flexibility for unexpected situations that may arise in Recommendation development.

Some concerns have been raised regarding the efficacy of the Patent Policy, for example see <http://www.itweek.co.uk/News/1141179>. More details about the Patent Policy can be found on the W3C website, <http://www.w3.org/2001/ppwg/>.