

AN EMPIRICAL ANALYSIS OF FAIR USE DECISIONS UNDER THE UNIFORM DOMAIN-NAME DISPUTE-RESOLUTION POLICY

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Abstract: Since its inception in 1999, the World Intellectual Property Organization (WIPO) has resolved nearly 22,000 domain-name disputes under the Uniform Domain-Name Dispute-Resolution Policy (UDRP)—a mandatory arbitration policy implemented by the Internet Corporation for Assigned Names and Numbers (ICANN). The UDRP allows the holder of a legally protectable trademark to initiate proceedings to cancel a similar domain name or have it transferred to the trademark owner. Domain-name holders, though, have a number of defenses, including that they are using their domain names in a noncommercial, fair manner. Although several empirical studies have analyzed various aspects of the UDRP, none have specifically examined this fair use defense. This study does what others have not. It analyzes the fair use defense in decisions before WIPO. Using WIPO's online decision database, this study makes two important findings. First, respondents from the United States are more likely than those from other countries to succeed on a fair use defense. Second, arbitrators from the United States are more likely than those from other countries to find that a respondent's use of a domain name was fair. This means that, under the UDRP, respondents from the United States enjoy greater speech protections than those from other countries, and that arbitrators from the United States are more sympathetic to speech interests than arbitrators from other countries. To improve the UDRP, I propose two revisions. First, ICANN should adopt a choice of law provision stating that the law of the respondent's home country governs fair use disputes. Second, ICANN should implement a panel assignment provision in fair use disputes that requires arbitrators to share the nationalities of the litigants.

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INTRODUCTION

Because domain names are valuable commodities,¹ trademark owners attempt to control domain names that incorporate their trademarks. Sometimes they do this by preemptively “buying up” domain names that disparage their companies or executives, or direct users to websites that do so.² But when another individual already owns such a domain name, the trademark owner must try to wrestle it away from the domain name owner.³ These are disputes over private censorship. They raise questions about what people on the Internet can say and how they can say it.

Although these disputes are amenable to traditional litigation, trademark owners frequently pursue a quicker, cheaper option:⁴ they file complaints under the Uniform Domain-Name Dispute-Resolution Policy (UDRP)⁵ with a domain-name arbitration “provider”⁶ such as the World Intellectual Property Organization (WIPO).⁷ Under the

¹ See *infra* notes 45–88 and accompanying text.

² Bank of America recently bought domain names incorporating the name of its Chief Executive Officer, Brian Moynihan, including <BrianMoynihanBlows.com>. Hayley Tsukayama, *Bank of America Buys Up Anti-BoA Domain Names*, Post on *Faster Forward* by Rob Pegoraro, WASH. POST (Dec. 23, 2010, 9:55 AM), http://voices.washingtonpost.com/fasterforward/2010/12/bank_of_america_buys_up_anti-b.html.

³ See *e.g.*, *Gail Guarulhos Indústria e Comércio Ltda. v. Watson*, No. D2006-0655 (WIPO July 7, 2006), <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0655.html> (finding fair use in a case in which the complainant’s business name included the word “gail” and the respondent registered <gail.com> because his wife’s given name was Gail); *Wal-Mart Stores, Inc. v. MacLeod*, No. D2000-0662 (WIPO Sept. 19, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0662.html> (relating that respondent who registered <wal-martsucks.com> to criticize Wal-Mart lost UDRP dispute).

⁴ See *infra* notes 45–87 and accompanying text.

⁵ *Uniform Domain Name Dispute Resolution Policy*, INTERNET CORP. FOR ASSIGNED NAMES & NOS., <http://www.icann.org/dndr/udrp/policy.htm> (last modified Sept. 6, 2011) [hereinafter *UDRP*]. The UDRP also contains rules of procedure. *Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”)*, INTERNET CORP. FOR ASSIGNED NAMES & NOS., <http://www.icann.org/dndr/udrp/uniform-rules.htm> (last modified Sept. 6, 2011) [hereinafter *UDRP Rules*].

⁶ There are four approved providers currently operating. In addition to WIPO, the three other providers are the Asian Domain Name Dispute Resolution Centre, the National Arbitration Forum, and the Czech Arbitration Court Arbitration Center for Internet Disputes. *List of Approved Dispute Resolution Providers*, INTERNET CORP. FOR ASSIGNED NAMES & NOS., <http://www.icann.org/en/dndr/udrp/approved-providers.htm> (last modified June 9, 2011) [hereinafter *List of Providers*]. Since providers started hearing UDRP disputes, two have gone defunct. These providers are CPR: International Institute for Conflict Prevention and Resolution and eResolution. *Compare List of Providers, supra* (listing current and former providers), *with UDRP Providers*, UDRPINFO.COM, <http://www.udrpinfo.com/prov.php?b=22> (last visited Dec. 20, 2011) (listing providers as of 2002).

⁷ WIPO is an agency of the United Nations. *What Is WIPO?*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/about-wipo/en/what_is_wipo.html (last visited Dec. 20,

UDRP, an alleged mark owner (“the complainant”)⁸ can attempt to cancel the domain name or transfer it from its owner (“the respondent”)⁹ to the trademark holder.¹⁰ After filing, a panel of either one or three arbitrators is chosen to resolve the dispute.¹¹ A respondent, however, can assert certain defenses by showing that she has “rights or legitimate interests” in the domain name.¹² One of these defenses allows the respondent to “make a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”¹³ This defense—which I call “the fair use defense”—is a safety-valve for sometimes critical speech.¹⁴

But how, exactly, does the defense work in practice? More specifically, do panels apply the fair use provision uniformly to all respondents? This Article presents empirical evidence that panels—U.S. panels in particular—apply the fair use defense more favorably to U.S. respondents than to other respondents. My analysis of nearly one thousand UDRP decisions rendered by WIPO between 1999 and 2010 sup-

2011). Created in 1967 by the United Nations member states, WIPO’s mandate is to “promote the protection of [Intellectual Property] throughout the world.” *Id.* It is one of four currently operating UDRP providers. See *List of Providers*, *supra* note 6.

⁸ The UDRP defines complainant as “the party initiating a complaint concerning a domain-name registration.” *UDRP Rules*, *supra* note 5, § 1.

⁹ The UDRP defines respondent as “the holder of a domain name registration against which a complaint is initiated.” *Id.* § 1.

¹⁰ *Id.* § 3 (noting that upon receipt of a UDRP arbitration, the provider will cancel, transfer, or change the domain name).

¹¹ Arbitrators are drawn from an international pool of various ICANN- and WIPO-approved individuals. See *WIPO Domain Name Panelists*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/panel/panelists.html> (last visited Dec. 20, 2011). Thus, arbitrators of various nationalities can and do sit on the same panel. When the majority of arbitrators on a three-member panel are from the United States, I refer to the panel as a “U.S. panel.” The same is true for a one-member panel with an arbitrator from the United States. When, however, the majority of arbitrators on a panel are from a country other than the United States, I refer to the panel as “non-U.S.,” “other,” or “foreign.” The same title applies to single-member panels of non-U.S. arbitrators.

¹² *Compare UDRP*, *supra* note 5, § 4(a) (ii) (stating as an element of the complaint that the complainant must show that the respondent “ha[s] no rights or legitimate interests in respect of the domain name . . .”), *with id.* § 4(c) (“Any of the following circumstances, in particular but without limitation, if found by the Panel to be proved based on its evaluation of all evidence presented, shall demonstrate your rights or legitimate interests to the domain name for purposes of Paragraph 4(a) (ii) . . .”).

¹³ *Id.* § 4(c) (iii).

¹⁴ See, e.g., Michael Froomkin, *ICANN’s “Uniform Dispute Resolution Policy”—Causes and (Partial) Cures*, 67 BROOK. L. REV. 605, 642–43 (2002) (arguing that WIPO’s “rights and legitimate interests” defense seemed to quell initial worry about whether criticism, parody, and other speech interests would be protected by the UDRP).

ports this conclusion. The purpose of my analysis was to determine whether the nationality of respondents or panels influenced the outcome of fair use cases. First, I analyzed whether respondents from the United States won more often than those from other countries. The data show that U.S. respondents won 35% of the time while other respondents won only 17% of the time. Second, I analyzed whether U.S. panels were more likely to find fair use than non-U.S. panels. My data show that U.S. panels found fair use 36% of the time. Other panels, by contrast, found fair use only 20% of the time. These data suggest that WIPO panels apply the UDRP fair use defense more favorably to U.S. respondents than to other respondents.

Although a variety of factors likely are responsible for these phenomena,¹⁵ I argue they occurred for two basic reasons. First, the UDRP contains a vague choice of law provision. This vagueness allowed WIPO panels to apply whatever law they “deem[ed] applicable.”¹⁶ U.S. panels then took greater advantage of this provision than their foreign counterparts. In other words, U.S. panels began importing U.S. law—law that is generally (viewed as) more sensitive than the law of other countries to free speech interests—into UDRP disputes with higher frequency than did foreign panels. More than non-U.S. panels, U.S. panels also applied U.S. law in cases where the respondent was from the United States. Because U.S. law is (viewed as) more friendly to speech interests than foreign law, the use of U.S. law favored respondents.

But *why* did U.S. panels—and not foreign panels—apply their home country’s law? There are five potential reasons. First, because U.S. panels decide nearly fifty percent of all fair use cases, they have more opportunities than their foreign counterparts to import U.S. laws. Second, more than U.S. arbitrators, other arbitrators believe that the UDRP should be a uniform policy. To preserve uniformity, other arbitrators do not apply other countries’ local laws—be it the arbitrators’, complainants’, or respondents’ law(s)—to decide UDRP disputes. Third, other arbitrators do not think about what law to apply. Because they view the UDRP as precedential, they simply apply prior decisions. The UDRP contains a U.S./non-U.S. dichotomy in terms of rules about fair use. With two rules to choose from, arbitrators did not invent new ones. Fourth, much more than U.S. panels, foreign panels decide cases

¹⁵ I did not run a regression using my data. Therefore, my data are descriptive. My argument is based only on these descriptive data. I do not purport to account for other factors that could be influencing the findings; indeed, there may be other factors that are influencing the data. I leave that statistical analysis for another study.

¹⁶ *UDRP Rules*, *supra* note 5, § 15(a).

involving parties of nationalities different than the (foreign) panel. Finally, many countries do not have cybersquatting laws, or trademark laws with as many speech protections as U.S. laws. Without law—or law that is as speech-friendly—to apply, panels from other countries simply rely on the language of the UDRP (which may better reflect their own countries' laws). That is, they interpret the UDRP as a self-contained document, rather than import local legal rules or principles.

The importation of U.S. law has practical consequences. As different panels applied different rules, two competing sets of rules arose in fair use cases. The first set adheres to U.S. laws. The second set is comprised of *sui generis* UDRP rules developed by WIPO panels (“WIPO Rules”). These rules then replicated as panels cited them in subsequent fair use cases. The practical effect was twofold. First, because the imported U.S. law allowed individuals greater leeway to use trademarks in domain names than did WIPO Rules, the rule-dichotomy privileged cases in which panels applied U.S. law. Second, this same “legal leeway” gave U.S. respondents a greater ability to “speak” than other respondents. In other words, U.S. respondents could use others' trademarks in their domain names in more situations than other respondents because arbitrators deciding cases with U.S. respondents usually applied U.S. law.

Although fair use is an important defense to protect speech interests, most empirical studies of UDRP cases do not focus on how panels interpret specific provisions. Instead they examine broader issues, such as the UDRP's fairness or its potential to suppress speech generally. Some studies, for example, focus on respondents' overall success rate in UDRP actions. One study found that the UDRP disfavors speech by those who do not hold trademarks—that is, it disfavors respondents.¹⁷ The study notes that the UDRP, by giving complainants the ability to select an arbitration provider, encouraged forum shopping.¹⁸ To sup-

¹⁷ Milton Mueller, *Rough Justice: A Statistical Assessment of ICANN's Uniform Dispute Resolution Policy*, 17 INFO. Soc'Y 151, 156 (2001) (noting that, in 2001, complainants won around eighty percent of disputes); see also MILTON MUELLER, CTR. FOR CONVERGENCE & EMERGING NETWORK TECHS., SUCCESS BY DEFAULT: A NEW PROFILE OF DOMAIN NAME TRADEMARK DISPUTES UNDER ICANN'S UDRP 1, 15 (2002), available at <http://dcc.syr.edu/PDF/markle-report-final.pdf> (explaining that complainants win ninety-six percent of the time when a respondent defaults, admitting that sometimes default may indicate cybersquatting, but concluding that many times defaulting respondents have valid defenses).

¹⁸ Mueller, *supra* note 17, at 161 (“After only 1 year of operation, there is a statistically significant correlation between market share and the tendency to take away domain names from respondents.”). *But see* NED BRANTHOVER, INT'L TRADEMARK ASS'N, UDRP—A SUCCESS STORY: A REBUTTAL TO THE ANALYSIS AND CONCLUSIONS OF PROFESSOR MILTON MUELLER IN “ROUGH JUSTICE” 1, 4–7 (2002), available at <http://www.inta.org/Advocacy>

port this claim, the study pointed to data showing that the providers with the biggest market shares were also those with the highest complainant win rates.¹⁹

Some were not convinced by this hypothesis. One study, for instance, argued that provider selection is mostly a matter of provider efficiency rather than provider bias.²⁰ In other words, the complainants choose providers that decide disputes the fastest.²¹ Results of that study showed that provider efficiency had been overlooked as a factor by previous studies.²²

Further studies revealed other factors that helped explain outcomes under the UDRP. One author, for example, used data on UDRP decisions to analyze the influence of panel size on outcomes (i.e., wins or losses).²³ Under the UDRP, the complainant can elect to have the dispute heard by a one- or three-member panel.²⁴ When the complain-

/Documents/INTAUDRPSuccesscontraMueller.pdf (attempting to rebut Mueller's analysis).

¹⁹ Mueller, *supra* note 17, at 161.

²⁰ Jay P. Kesan & Andres A. Gallo, *The Market for Private Dispute Resolution Services—An Empirical Re-assessment of ICANN-UDRP Performance*, 11 MICH. TELECOMM. TECH. L. REV. 285, 295–96 (2005) (“Using a multinomial logit regression model to determine if complainants select the provider based on bias or the duration of the procedure, we show that duration is at least as important as bias in selecting providers.”).

²¹ *See id.*

²² Still others have examined how cases are distributed among panels and providers. John Selby, *Competitive Provider Selection Under the ICANN UDRP: Are ICANN's Goals Being Achieved?*, AUSWEB (2004), <http://ausweb.scu.edu.au/aw04/papers/refereed/selby/paper.html> (noting, without performing any statistical tests, that “the Providers that resolve disputes faster than average do have larger market shares,” and that, “although the time differences are not that great between the slowest and fastest Provider's Panels, it would appear that there is a slight correlation between the time taken to resolve a dispute and the market share of each Provider”).

²³ Michael Geist, *Fair.com?: An Examination of the Allegations of Systematic Unfairness in the ICANN UDRP*, 27 BROOK. J. INT'L L. 903, 922 (2002) (explaining that respondents win more often with three-member panels than with one-member panels even when controlling for defaults); *see also* MUELLER, *supra* note 17, at 15 (stating that, for disputes heard by the National Arbitration Forum, “[respondents that] have the resources to pay an additional \$1500 to select one of three panelists . . . win slightly over half of the cases,” whereas respondents generally win only 33% of the time when they mount a defense and 1% of the time when they default). *But see The UDRP: Fundamentally Fair, But Far from Perfect*, 6 ELECTRONIC COM. & L. REP. (BNA) No. 34, at 937 (Aug. 29, 2001) (challenging Geist's conclusions regarding respondent win rates).

²⁴ *UDRP Rules*, *supra* note 5, § 3(b) (iv). In the complaint, the complainant must

[d]esignate whether Complainant elects to have the dispute decided by a single-member or a three-member Panel and, in the event Complainant elects a three-member Panel, provide the names and contact details of three candidates to serve as one of the Panelists (these candidates may be drawn from any ICANN-approved Provider's list of panelists)

ant elects a one-member panel, the arbitration provider selects the arbitrator.²⁵ How, exactly, each provider selects the arbitrator is unknown.²⁶ But the complainant need not elect a one-member panel—and the respondent need not accept one. Either party can elect that a three-member panel decide their case.²⁷ When any party elects a three-member panel, both parties must provide the names of three Internet Corporation for Assigned Names and Numbers (ICANN)-approved arbitrators to the provider.²⁸ The provider selects two arbitrators, one from each party's list.²⁹ It then selects the third arbitrator on its own “in a manner that reasonably balances the preferences of both Parties.”³⁰ Again, just how the arbitration provider makes its selection is unknown.³¹

The author of one study decided to examine panel size after noticing two facts. First, providers employed many of the same panelists.³² Second, a discrepancy existed in respondent win rates among three providers (existing at the time).³³ The author found that respondents won more often with three-member panels than with one-member panels.³⁴ Because some providers employed more one-member panels than three-member panels, this fact explained the discrepancy in respondent win rates.³⁵ (The author also found that providers with the

Id.

²⁵ *UDRP Rules*, *supra* note 5, § 6(b).

If neither the Complainant nor the Respondent has elected a three-member Panel (Paragraphs 3(b)(iv) and 5(b)(iv)), the Provider shall appoint, within five (5) calendar days following receipt of the response by the Provider, or the lapse of the time period for the submission thereof, a single Panelist from its list of panelists. The fees for a single-member Panel shall be paid entirely by the Complainant.

Id.

²⁶ Geist, *supra* note 23, at 910 (“Although the ICANN Rules and provider supplemental rules indicate how panelists are selected, 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.”).

²⁷ *UDRP Rules*, *supra* note 5, §§ 3(b)(iv), 5(v).

²⁸ *Id.*

²⁹ *Id.* § 6(e).

³⁰ *Id.*

³¹ See *supra* note 27 and accompanying text.

³² Geist, *supra* note 24, at 910 (footnote omitted).

³³ *Id.* at 911 (“[I]f 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?”).

³⁴ *Id.* at 922.

³⁵ *Id.*

highest win percentage fed disputes to a small number of complainant-friendly arbitrators.)³⁶ The results did not change even when controlling for respondent defaults.³⁷ In other words, panel size influenced the likelihood of a respondent winning.

All of these studies have offered reasons for general trends in UDRP disputes. None, however, focused on whether the fair use provision protects the speech of domain-name users.³⁸ None, that is, explored how effectively the UDRP's speech "safety valve"—fair use—operates.

This Article does just that. It reports the results of an empirical study examining how WIPO panels apply the UDRP in fair use cases. Specifically, it asks what factor(s) influence the probability that a respondent will successfully defend a UDRP proceeding on fair use grounds. The data suggest that the answer is nationality: respondents from the United States won fair use cases more often than respondents from other countries. The data also show that panels with a majority of U.S. arbitrators ("U.S. panels")³⁹ found for respondents in fair use cases more often than did other panels.

Because the UDRP lacks a principled choice of law strategy and a clear panel assignment procedure, this Article recommends revising the UDRP in two ways. First, ICANN should change the current choice of law provision. The new choice of law provision should instruct panels to apply the local law of the respondent's home country. Second, ICANN should revise and make transparent its panel assignment pro-

³⁶ *Id.* at 928.

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. 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. 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.

Id. (footnotes omitted).

³⁷ *Id.* at 924.

³⁸ *But see* ANNETTE KUR, UDRP: A STUDY BY THE MAX-PLANCK-INSTITUTE FOR FOREIGN AND INTERNATIONAL PATENT, COPYRIGHT AND COMPETITION LAW, MUNICH 1, 30–32 (2002) (on file with author) (discussing various categories of cases including fair use, but attempting to explain the results of cases by legal rules rather than by contextual factors such as the identity of the parties involved).

³⁹ As noted in footnote 11, this term includes only cases where two or more U.S. panelists appeared on a three-member panel. So, for example, I did not classify a panel as a "U.S. panel" if it contained arbitrators from the United States, German, and Spain. The coding protocols are contained in a separate document.

cedures. Given the proposed choice of law provision, ICANN should appoint to panels a majority of arbitrators from the same country as the respondent's home country. Where the parties select a three-member panel, one arbitrator should be from the complainant's home country.

Part I briefly explores the UDRP and how scholars have criticized it.⁴⁰ Part II describes the methodology used to collect and analyze fair use UDRP decisions.⁴¹ Part III presents the study's findings.⁴² Part IV discusses the implications of the findings, attempting to explain two phenomena.⁴³ First, why do U.S. respondents win more than other respondents? Second, why do U.S. panels apply U.S. law more than other panels? This Part answers these questions using three tools: the UDRP's choice of law provision, WIPO-specific rules, and panel nationality. After this explanation, Part IV explores potential reforms that could be made to the UDRP. It suggests that ICANN should revise the UDRP's choice of law and panel assignment provisions in fair use cases.

I. THE UDRP AND ITS PROBLEMS

*There can only be one website at www.barcelona.com. Should it belong to the city in Spain, or to Whit Stillman's 1994 romantic comedy? The answer does not respect national boundaries. The [Internet Corporation for Assigned Names and Numbers, the] root authority[,] decides[] on behalf of every Internet user everywhere in the world.*⁴⁴

ICANN is the "root authority."⁴⁵ Among other things, ICANN manages the registration and allocation of domain names using the Domain Name System (DNS).⁴⁶ Although the DNS was developed to allow the web to function effectively with increasing users and desire for names,⁴⁷ it also increased competition: with a limited number of names comes competition for those resources.⁴⁸ As the Internet grew, so did disputes

⁴⁰ See *infra* notes 45–87 and accompanying text.

⁴¹ See *infra* notes 88–110 and accompanying text.

⁴² See *infra* notes 111–135 and accompanying text.

⁴³ See *infra* notes 136–262 and accompanying text.

⁴⁴ JACK GOLDSMITH & TIM WU, WHO CONTROLS THE INTERNET?: ILLUSIONS OF A BORDERLESS WORLD 31 (2006) (footnote omitted).

⁴⁵ See MILTON MUELLER, RULING THE ROOT: INTERNET GOVERNANCE AND THE TAMING OF CYBERSPACE 3, 7–10 (2002). Although ICANN is the primary "root authority," other competing, independent roots exist. *Id.* at 54–56 (describing several alternative root servers, including Open NIC, Pacific Root, ORSC, New.net, Name.space, and CN-NIC).

⁴⁶ *Id.* at 41–45, 185–208.

⁴⁷ *Id.* at 41.

⁴⁸ See *id.* at 57–58 (analogizing the Internet to other "unowned" resources such as the ocean, where domain names are like fish or minerals—resources that engender competi-

over domain names.⁴⁹ In response, ICANN developed⁵⁰ the UDRP to provide a quick and cheap alternative to litigating domain-name disputes involving abusive domain-name registration;⁵¹ that is, disputes where a party registered domain names in “bad faith.”⁵² To ensure that the UDRP was more than just a fancy procedure, ICANN made it mandatory by contracting with Network Solutions, Inc. (NSI) (now Verisign),⁵³ which, until 1999, registered all of the “.com” generic top-level domain names (known as gTLDs).⁵⁴ As part of this contract, NSI incorporated the UDRP into all domain-name registration agreements.⁵⁵ This enables ICANN and NSI to bind to the UDRP all individuals who register a domain name.⁵⁶ When ICANN allowed new registrars of gTLDs in 1999,⁵⁷ it bound them to the UDRP as a condition of accredi-

tion and produce ownership rules); see also Jonathan Zittrain, *ICANN: Between the Public and the Private Comments Before Congress*, 14 BERKELEY TECH. L.J. 1071, 1079–83 (1999) (explaining how “entrepreneurial forces” altered the domain-name system, changing it from space allocated by one man (Jon Postel) to governance by ICANN).

⁴⁹ MUELLER, *supra* note 45, at 109, 114–19 (explaining that the commercialization of the Internet followed its 1991 opening to commerce, with competition “endow[ing] . . . the name space with economic value” that, in turn, led to an increasing number of disputes over various domain names).

⁵⁰ ICANN actually drew heavily on WIPO’s Report when developing the UDRP. See Froomkin, *supra* note 14, at 631–88 (explaining that ICANN adopted each of the major WIPO recommendations—use of the DNS to use mandatory contractual agreements, limiting disputes to trademark and non-trademark holders, substantive rules governing disputes, procedures for dispute resolution process, pre-emptive protections for well-known marks—and discussing the degree to which it did so regarding each recommendation); Justin Hughes, *The Internet and the Persistence of Law*, 44 B.C. L. REV. 359, 377–78 (2003) (explaining that ICANN asked WIPO to issue a report on domain-name disputes and that ICANN used the report as the basis of the UDRP).

⁵¹ E.g., Elizabeth G. Thornburg, *Fast, Cheap, and Out of Control: Lessons from the ICANN Dispute Resolution Process*, 6 J. SMALL & EMERGING BUS. L. 191, 201 (2002) (stating that the UDRP was meant “to create a remedy for a narrowly defined group of particularly egregious cases,” which ICANN said would be “deliberate, bad faith, abusive, domain-name registrations or ‘cybersquatting.’” (quoting WORLD INTELLECTUAL PROP. ORG., FINAL REPORT OF THE WIPO INTERNET DOMAIN NAME PROCESS § 135(i) (1999) [hereinafter FINAL REPORT], available at <http://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf>)).

⁵² For a definition of “bad faith” under the UDRP, see *UDRP*, *supra* note 5, § 4(b).

⁵³ GRAHAM J.H. SMITH, *INTERNET LAW AND REGULATION* 153 (4th ed. 2007).

⁵⁴ MUELLER, *supra* note 45, at 186–90, 192; SMITH, *supra* note 53, at 153.

⁵⁵ *ICANN-NSI Registry Agreement*, INTERNET CORP. FOR ASSIGNED NAMES & NOS. § 3(A) (ii) (b), <http://www.icann.org/en/nsi/nsi-registry-agreement-04nov99.htm> (last modified Nov. 10, 1999).

⁵⁶ The policy is contractual, and all individuals agree to it when they register a domain name. *Domain Name Dispute Resolution Policies*, INTERNET CORP. FOR ASSIGNED NAMES & NOS., <http://www.icann.org/en/udrp/> (last modified Sept. 5, 2011).

⁵⁷ MUELLER, *supra* note 45, at 188; SMITH, *supra* note 53, at 155.

tation.⁵⁸ Thus, all registrars are bound by the UDRP. When individuals register a domain name, they too become contractually bound to the UDRP.⁵⁹

To provide a quick and cheap resolution of disputes involving domain names, the UDRP makes filing a claim simple: the owner of a registered or common law trademark asserts that a “domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights”⁶⁰ To assert a claim over a domain name, one must “submit[] a complaint in accordance with the [UDRP] and [the UDRP] Rules to any [one of four] Provider[s] approved by ICANN,”⁶¹ which includes WIPO.⁶² The provider (be it WIPO or otherwise) then employs a panel of arbitrators to decide the dispute.⁶³ As mentioned, providers do not explain how they assign particular arbitrators to serve on panels.

The UDRP thus regulates speech on the Internet. Since its inception in 1999, WIPO has resolved over 22,000 domain-name disputes under the UDRP.⁶⁴ As some authors note, the root—that is, ICANN—

⁵⁸ MUELLER, *supra* note 45, at 192 (stating that ICANN “bound all registrars of domain names under .com, .net, and .org to [the UDRP] as a condition of accreditation”).

⁵⁹ *Id.* (“Through their contracts with registrars, all registrants of domain names under the generic TLDs are contractually bound to submit to arbitration under the UDRP.”).

⁶⁰ UDRP, *supra* note 5, § 4(a) (i). The UDRP does not preclude litigation as a first-order remedy. *Id.* § 5.

All other disputes between you and any party other than us regarding your domain name registration that are not brought pursuant to the mandatory administrative proceeding provisions of Paragraph 4 shall be resolved between you and such other party through any court, arbitration or other proceeding that may be available.

Id.; UDRP Rules, *supra* note 5, § 18(a)–(b) (stating rules for arbitrators when a party to the dispute commences litigation before or during a UDRP proceeding).

⁶¹ UDRP Rules, *supra* note 5, § 3(a).

⁶² There are a total of four providers. *List of Providers*, *supra* note 6.

⁶³ For information on how panels are selected, see *supra* notes 24–31 and accompanying text. WIPO, for example, provides a list of its arbitrators. *WIPO Domain Name Panelists*, *supra* note 11.

⁶⁴ As of the time of this study in 2010, over 19,000 UDRP complaints had been filed with WIPO. *Total Number of Cases per Year*, WORLD INTELLECTUAL PROP. ORG. <http://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last visited Dec. 20, 2011). During this time WIPO decided 18,624 of these complaints. See *Case Outcome by Year(s) (Breakdown)*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/statistics/outcome.jsp> (last visited Dec. 20, 2011). When the last comprehensive study of the UDRP was conducted in 2002, WIPO decided the majority of UDRP disputes (fifty-nine percent). *UDRP Decisions*, UDRPINFO.COM, <http://udrpinfo.com/dcsn.php> (click on the “View” hyperlink next to “UDRP market share figures by provider”) (data reflect all decisions as of Feb. 18, 2002). Extrapolating from this study, this means that as of February 2002, providers other than WIPO decided 12,942 disputes, for a total of 31,566 disputes.

decides how to settle these disputes.⁶⁵ But, the question is *how* should the root decide? More precisely, what law applies?

The answer is unclear. When ICANN adopted the UDRP, it included a provision that commands a panel to “decide a complaint on the basis of . . . any rules and principles of law that it deems applicable” (“choice of law provision” or “provision”).⁶⁶ The UDRP does not, however, provide any guidance on when, if ever, to apply country-specific law. If panelists applied the UDRP in a nonprecedential manner,⁶⁷ this would not necessarily be a problem.

But WIPO’s “consensus view” is that “panels consider it desirable that their decisions are consistent with prior panel decisions dealing with similar fact situations.”⁶⁸ Yet, despite panels’ use of “precedents” from prior disputes, no precedent exists on how to apply the UDRP’s choice of law provision. WIPO, which ICANN charged with making recommendations for a UDRP,⁶⁹ suggested that the UDRP use existing “multilateral” standards of intellectual property and apply them to domain names—though it was not clear exactly what standards applied.⁷⁰ Even among

⁶⁵ GOLDSMITH & WU, *supra* note 44, at 31.

⁶⁶ *UDRP Rules*, *supra* note 5, § 15(a). It also included a provision that let panels “conduct the administrative proceeding in such manner as it considers appropriate in accordance with the Policy,” even allowing panels to formulate their own rules on admissibility of evidence. *Id.* § 10(a), (d).

⁶⁷ *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition (“WIPO Overview 2.0”)* § 4.1, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/search/overview/> (last visited Dec. 20, 2011) [hereinafter *WIPO Rules*] (“Consensus view: The UDRP does not operate on a strict doctrine of precedent. However, panels consider it desirable that their decisions are consistent with prior panel decisions dealing with similar fact situations. This ensures that the UDRP system operates in a fair, effective and predictable manner for all parties . . .”).

⁶⁸ *Id.* Indeed, one scholar has shown empirically that the UDRP is a de facto precedent-based system. In 2002, for example, he published results showing that over fifty percent of UDRP decisions cite other UDRP decisions. MUELLER, *supra* note 17, at 19. More significantly, “[t]he majority not only cite other cases but rely on precedent extensively to reason out and support their decisions.” *Id.*

⁶⁹ *ICANN Staff Report: Uniform Dispute Resolution Policy for gTLD Registrars*, INTERNET CORP. FOR ASSIGNED NAMES & NOS. (Aug. 24, 1999), <http://www.icann.org/en/meetings/santiago/udrp-staff-report.htm> (stating that the U.S. Government, in its 1998 White Paper, created ICANN and “called upon ‘the World Intellectual Property Organization (WIPO) to . . . develop recommendations for a uniform approach to resolving trademark/domain name disputes involving cyberspace . . .’” (quoting Management of Internet Names and Addresses, 63 Fed. Reg. 31,741, 31,747 (June 10, 1998))).

⁷⁰ FINAL REPORT, *supra* note 51, § 34.

It is further recognized that the goal of this WIPO Process is not to create new rights of intellectual property, nor to accord greater protection to intellectual property in cyberspace than that which exists elsewhere. Rather, the goal is to give proper and adequate expression to the existing, multilaterally agreed

academics, no clear consensus exists as to what law applies in any given dispute.⁷¹ Wherever a panel looks, it will find no clear guidance.

Because the choice of law provision does not specify how panels should apply it, panels have broad discretion in making that determination.⁷² That is troublesome because a panel's decision to apply a particular law has important consequences. When a respondent wants to mount a fair use defense, for example, the choice of law issue can be determinative.⁷³ Critics claim that this results in poorly reasoned or inconsistent decisions.

Inconsistency occurs in two forms. First, panels can apply different UDRP precedents to similar fact-patterns.⁷⁴ Alternatively, panels can

standards of intellectual property protection in the context of the new, multi-jurisdictional and vitally important medium of the Internet and the DNS that is responsible for directing traffic on the Internet.

Id.

⁷¹ One author has argued that WIPO actually meant to incorporate traditional choice of law principles. See Froomkin, *supra* note 14, at 640. Others have disagreed. See Mueller, *supra* note 17, at 152 (describing one of the UDRP's three main objectives as "creat[ing] global uniformity: that is, [it was designed] to eliminate variety and competition among the jurisdictions and rule sets applied to domain name-trademark conflicts").

⁷² Froomkin, *supra* note 14, at 643.

[T]he subtlety of the choice of law issue has either been lost on some arbitrators, or they have chosen to avert their eyes from it. Perhaps the arbitrators have concluded that "UDRP law" should, after all, be some free-standing body of rules deracinated from any legislature and made up largely by trademark lawyers.

Id.; Thornburg, *supra* note 51, at 210 (noting that the choice of law provision has resulted in "eclectic and unprincipled 'choice of law' decisions," has caused "uncertainty about applicable law," and has "exacerbate[d] the differences among the decisions made by the unappealable arbitrators"); see Laurence R. Helfer & Graeme B. Dinwoodie, *Designing Non-National Systems: The Case of the Uniform Domain Name Dispute Resolution Policy*, 43 WM. & MARY L. REV. 141, 225 (2001).

Without constraints on these open-ended clauses, panels are left with little to guide the exercise of their discretionary lawmaking powers. Not surprisingly, this omission has produced a schism between panels that strictly construe the UDRP and those that interpret the Policy more expansively to curb a broader range of conduct by domain-name registrants.

Helfer & Dinwoodie, *supra*, at 225.

⁷³ Froomkin, *supra* note 14, at 642 ("The choice of law issue is especially important because choice of law in effect determines what constitutes 'rights and legitimate interests'").

⁷⁴ See MUELLER, *supra* note 17, at 24 ("[T]he outcomes and precedents in [cases involving critics or commentary] are mixed, reflecting the lack of clear standards and dissension among panelists."); Jacqueline D. Lipton, *Commerce Versus Commentary: Gripe Sites, Parody, and the First Amendment in Cyberspace*, 84 WASH. U. L. REV. 1327, 1356 (2006) ("[T]here is no clear test as to when a commentary site is a fair or legitimate use. A comparison of two

apply different national law to disputes with similar facts or issues.⁷⁵ This latter scenario occurred in *Wal-Mart Stores, Inc. v. Walmarket Canada*, a 2000 WIPO case.⁷⁶ In that case, the respondent operated in Thailand and was domiciled in Canada.⁷⁷ The complainant, Wal-Mart, was headquartered in the United States.⁷⁸ The panel noted that either Canadian or Thai law could apply.⁷⁹ Then, however, it discussed and applied law from the United States *and the United Kingdom*—even though the parties’ dispute did not appear to implicate U.K. law.⁸⁰

Why did this happen? One reason may be the panel’s nationality. That explanation is at least plausible in the *Wal-Mart* decision. There, the lone panelist was from the United Kingdom and applied U.K. law. In other cases, too, arbitrator nationality may help explain the outcome. One author has suggested that UDRP disputes—as a result of UDRP drafting—focus on trademark law (when there are other methods of resolving domain-name disputes).⁸¹ For support, the author cites one WIPO case where the respondent and complainant both hailed from the United States.⁸² Although the author argues for non-

early UDRP decisions involving consumer commentary and gripe sites demonstrates the confusion that can arise under the UDRP in this respect.”); Lisa M. Sharrock, *The Future of Domain Name Dispute Resolution: Crafting Practical International Legal Solutions from Within the UDRP Framework*, 51 DUKE L.J. 817, 833–36 (2001) (discussing the application of two different rules in similar cases involving domain-name speculation and in cases involving criticism (i.e., <trademarksucks.com>) and arguing that the UDRP causes inconsistency “because it lacks specificity, a flaw magnified by the fact that precedent plays little role in UDRP decisionmaking”).

⁷⁵ See, e.g., David Wotherspoon & Alex Cameron, *Reducing Inconsistency in UDRP Cases*, 2 CANADIAN J.L. & TECH. 71, 74–75 (2003) (explaining that, among other problems, panels can apply legal principles from jurisdictions that have no relation to the parties).

⁷⁶ No. D2000-0150 (WIPO May 2, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0580.html>.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.* (“Since the Respondent appears to be domiciled in Canada, any legal action would have to be taken against him in that country. If the Respondent is to operate in Thailand, then action could be taken there.”).

⁸⁰ *Id.* (stating and applying the “legal position in England on domain names of confusingly similar wording to registered trademarks”).

⁸¹ Lipton, *supra* note 74, at 1356 (“These decisions also show that, regardless of how the UDRP is drafted, UDRP arbitrators are likely to be influenced, at least to some extent, by domestic trademark laws.”).

⁸² *Id.* at 1356 n.163 (“The discussion and decision herein will . . . be governed by the terms of the [UDRP], although reference by analogy may be made to principles of U.S. law, as two of the Complainants are U.S. corporations, Respondent is a U.S. resident, and both parties have cited U.S. law in their submissions.”) (quoting *Bridgestone Firestone, Inc. v. Myers*, No. D2000-0190 (WIPO July 6, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0190.html>).

trademark based tools to resolve these disputes, the observation nonetheless highlights the influence of national law in UDRP disputes.⁸³ Indeed, we might expect that the law of the panel's home country will influence how the panel applies the UDRP. As noted above, this panel-based explanation seems plausible in the *Wal-Mart* case.⁸⁴

Panel nationality, however, highlights a broader concern: how are panels deciding cases? In particular, scholars are concerned with panels' ability and tendency to suppress speech by controlling domain-name use. Some, for example, worry that decisional inconsistency could "chill speech."⁸⁵ Because people fear the cancellation or transfer of a selected domain name, the argument goes, they will be reluctant to use them at all. Others are concerned that providers like WIPO are biased in favor of the complainant.⁸⁶

None of these studies, though, examined how specific provisions of the UDRP impact individuals' ability to "speak" using domain names that incorporate trademarks—an issue of growing importance. As the number of trademarks and domain names multiply, people increasingly will use those trademarks in domain names. Yet one's ability to use domain names will depend on how ICANN manages that space. Currently, gTLD space is both expanding and contracting. As ICANN opens new gTLDs, it restricts those able to apply for them.⁸⁷ By limiting individuals' and small businesses' ability to use new domain-name

⁸³ *Id.* at 1361–64 (arguing for a "zoning" approach that would give trademark holders the "most obvious .com versions of their trademarks in the domain space").

⁸⁴ No. D2000-0150 (WIPO May 2, 2000).

⁸⁵ See Keith Blackman, *The Uniform Domain Name Dispute Resolution Policy: A Cheaper Way to Hijack Domain Names and Suppress Critics*, 15 HARV. J.L. & TECH. 211, 251–52 (2001) (quoting U.S. Supreme Court Justice Hugo Black and arguing that inconsistent or unclear law about what speech is permitted can chill protected speech).

⁸⁶ See *supra* notes 19–39 and accompanying text.

⁸⁷ See generally INTERNET CORP. FOR ASSIGNED NAMES & NOS., gTLD APPLICANT GUIDEBOOK (2011), available at <http://www.icann.org/en/topics/new-gtlds/rfp-clean-19sep11-en.pdf> (laying out the details for applying for new gTLDs). ICANN is introducing new gTLDs. Registering for these gTLDs, however, is, in ICANN's words, "a much more complex process" than registering for an existing gTLD. *Frequently Asked Questions*, INTERNET CORP. FOR ASSIGNED NAMES & NOS., <http://newgtlds.icann.org/applicants/faqs/faqs-en> (last visited Dec. 20, 2011). Indeed, applying for a new gTLD requires, among other things, online user registration, application submission, fee submission, fee conciliation, and appropriate documentation. gTLD APPLICANT GUIDEBOOK, *supra*, § 1.1.1 (explaining the life cycle of new gTLDs), § 1.2.2 (listing required documents). To be eligible to register, the entity seeking registration must be an "[e]stablished corporation[], organization[], or institution[] in good standing Applications from individuals[,] . . . sole proprietorships[,] [and] . . . yet-to-be formed legal entities . . . will not be considered." *Id.* § 1.2.1. What's more: the evaluation fee for a new gTLD is expensive, with an estimated price of \$185,000 (including a \$5,000 deposit). *Id.* § 1.5.1.

space, the new gTLD policy shrinks rather than grows the existing space for these potential registrants.

This de facto shrinking and the prospect of new, expensive gTLDs amplify the importance of the fair use defense. With the growth of companies and internet access, people will continue to voice their opinion using websites—and frequently domain names. The extent to which people will be able to use trademarks in their domain names depends, at least in part, on the fair use defense. To date, however, no study has systematically examined this defense, and whether or how the fair use defense works; i.e., whether it applies uniformly to all parties, regardless of nationality. This study undertook this task.

II. METHODOLOGY USED TO COLLECT AND ANALYZE FAIR USE UDRP DECISIONS

This study examined fair use domain-name disputes arbitrated by WIPO under the UDRP. As mentioned above, section 4(c) (iii) of the UDRP allows respondents to “mak[e] a legitimate noncommercial or fair use of the domain-name [that incorporates a trademark], without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.”⁸⁸ Nevertheless, to better understand where the fair use provision fits within the UDRP, it is helpful to describe the three main elements required to prove a prima facie case under the UDRP.⁸⁹

First, the complainant must show that the “domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights”⁹⁰ Second, the complainant must show that the respondent has no “rights or legitimate interests” in the domain name.⁹¹ Third, the complainant must show that the respondent “registered and is . . . us[ing] [the domain name] in bad faith.”⁹² The complainant must make a prima facie case (on these elements) to suc-

⁸⁸ UDRP, *supra* note 5, § 4(c) (iii).

⁸⁹ In addition to substantive provisions, the UDRP contains a variety of procedural rules. See generally *UDRP Rules*, *supra* note 5. One such procedural mechanism is that the respondent must file a response within twenty days after receiving provider notification of the complaint. See *id.* § 5(a); *id.* § 4(c) (explaining that the proceeding commences when the provider fulfills its notification responsibilities under Rule 2(a)); *id.* § 2(a) (detailing the provider’s responsibility to forward the complaint to the respondent). Failure to file a response counts as a “default,” which simply means that the panels decide the case without a response. *Id.* § 14(a). A default is not an automatic loss.

⁹⁰ UDRP, *supra* note 5, § 4(a) (i).

⁹¹ *Id.* § 4(a) (ii).

⁹² *Id.* § 4(a) (iii).

ceed.⁹³ Even if the complainant makes a *prima facie* case, though, the burden shifts, and the respondent may defeat the complaint by demonstrating “rights or legitimate interests” in the domain name.⁹⁴

The UDRP specifies three ways in which a respondent can have rights or legitimate interests in a domain name: the respondent (1) is using the domain name in connection with a bona fide offering of goods or services;⁹⁵ (2) is commonly known by the domain name;⁹⁶ or (3) is “making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the” plaintiff’s trademark.⁹⁷ I examined only decisions substantively discussing this last issue: whether the respondent’s use of the alleged mark in the domain name qualified as legitimate noncommercial or fair. I refer to these decisions as “fair use cases.” Figure 1 (below) shows the process by which I selected, sampled, and categorized cases. The following two Sections explain this process in detail.

A. Sample Selection: Method of Selection

WIPO makes all of its decisions publicly available and text-searchable on its website (“WIPO database”).⁹⁸ I collected cases decided between January 1, 1999 and September 24, 2010. I searched the WIPO database using only one search term, “4(c)(iii),”⁹⁹ indicating that the search results (i.e., the decisions) “must” contain this phrase.¹⁰⁰

⁹³ *WIPO Rules*, *supra* note 67, § 2.1 (“[A] complainant is required to make out a *prima facie* case that the respondent lacks rights or legitimate interests.”).

⁹⁴ *Id.*

Once such *prima facie* case is made, the burden of production shifts to the respondent to come forward with appropriate allegations or evidence demonstrating rights or legitimate interests in the domain name. If the respondent fails to come forward with such appropriate allegations or evidence, a complainant is generally deemed to have satisfied paragraph 4(a)(ii) of the UDRP.

Id.; see also *UDRP*, *supra* note 5, § 4(c)(i)–(iii) (describing ways in which a domain name owner can show rights or legitimate interests in a domain name).

⁹⁵ *UDRP*, *supra* note 5, § 4(c)(i).

⁹⁶ *Id.* § 4(c)(ii).

⁹⁷ *Id.* § 4(c)(iii).

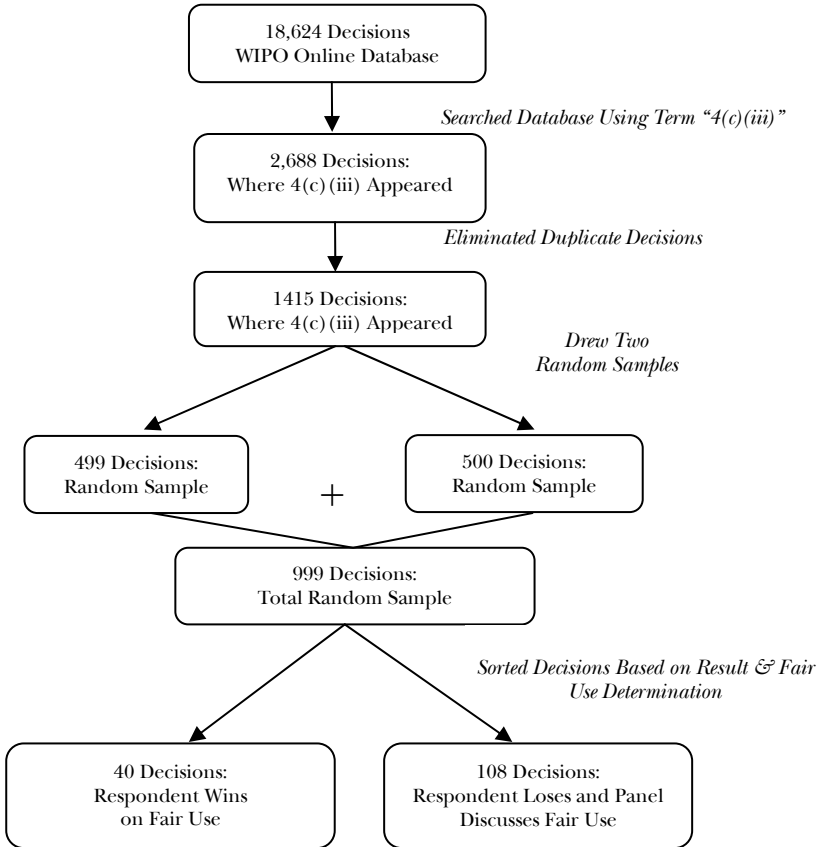
⁹⁸ *Search WIPO Cases and WIPO Panel Decisions*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/search/> (last visited Dec. 20, 2011). Because extracting the decisions from WIPO’s database, WIPO changed its search interface. This new interface does not extract results in the same manner as the interface I used to conduct my search.

⁹⁹ Section 4(c)(iii) of the UDRP governs “fair use” of domain names. *UDRP*, *supra* note 5, § 4(c)(iii).

¹⁰⁰ I collected cases using a search on September 24, 2010. I have not updated cases since.

The search revealed 2688 non-unique results from January 1, 1999 through September 24, 2010.¹⁰¹ These decisions appeared in languages other than English.¹⁰²

Figure 1: Case Selection and Sampling Method



After compiling the sets of search results, I eliminated the duplicate cases. This left 1415 unique cases. I first randomly sampled 499 decisions. From this sample, I found only a small number of respondent wins. Because the number of wins was too small to draw inferences ($n < 20$), I drew another random sample of 500 cases. From the random sample totaling 999 decisions, I found 148 cases that substantively discussed the fair use defense. In 40 of those cases, the respondent

¹⁰¹ "Non-unique" results contain duplicate decisions.

¹⁰² To review cases not in English, I used GoogleTranslate.

won. The complainant won in the remaining 108 decisions. I did not examine the remaining 416 cases.

B. *Types of Cases Selected for Sample*

I manually reviewed all 999 randomly sampled cases to determine whether they were relevant. Relevant decisions included two kinds of cases. First, I identified cases in which the respondent succeeded in defending the complaint on fair use grounds. I identified these cases easily because the panels would discuss why the domain name constituted a noncommercial fair use.¹⁰³ Put simply, a respondent who succeeds on a fair use defense defeats the complaint; i.e., the respondent “wins.”¹⁰⁴ I identified forty of these decisions.

Second, I identified cases in which, although the respondent lost, the panel discussed fair use in the decision. Nearly every case I examined, however, mentioned section 4(c) (iii) in some way. Often, for example, decisions would summarily find no fair use defense, or cite the relevant provision but never discuss it. Therefore, I had to narrow the cases to those in which the panel substantively addressed the fair use defense.

Generally, I excluded decisions finding no fair use because the website was commercial. I kept cases in which the panel decided the case on commerciality grounds but noted that the website may have been for a legitimate purpose, such as criticism.¹⁰⁵ Because these cases specifically addressed whether a use was fair and legitimate, they were relevant. I excluded cases in which the panel decided summarily that the respondent used the domain name commercially. Including these cases would have skewed the results because this criterion encompassed nearly every case where a respondent lost.

When the respondent lost and its domain name did not display a live website, I included only those cases where the respondent asserted that it was planning on making a fair use. I included these cases for consistency, as some respondent fair use victories occurred when the

¹⁰³ For respondent wins, the decision must have resolved *the fair use issue* in the respondent's favor. I did not count decisions that punted on the fair use question but dismissed the complaint on other grounds. *E.g.*, Kendall v. Mayer, No. D2000-0868 (WIPO Oct. 26, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0868.html>.

¹⁰⁴ If the respondent succeeded in proving a fair use defense as well as another defense under the UDRP, I coded the case because it still qualifies as one in which the respondent won on fair use grounds.

¹⁰⁵ *E.g.*, Pfizer Inc. v. e2eTech LLC, No. D2007-0099 (WIPO Apr. 6, 2007), <http://www.udrpsearch.com/wipo/d2007-0099>.

respondent had not yet developed a website. Like the aforementioned commerciality cases, I included these cases because they substantively addressed the issue of fair use. For the opposite reason, I excluded cases in which the panel summarily rejected the respondent's fair use defense; namely, because they did not substantively discuss fair use.

Occasionally, a decision would defer the fair use discussion to the section on bad faith—one of three elements the complainant must show to win a UDRP complaint.¹⁰⁶ I included these decisions and classified them as “other” unless the bad faith discussion turned specifically on the nature of the website (i.e., criticism, fan, information, and personal). If the bad faith discussion turned on the nature of the site, I classified it as one of the existing categories. I included these decisions because the primary issue—regardless of where in the decision the panel resolved it—was whether the respondent made a fair use of the domain name. Because the fair use inquiry sometimes rolled into the bad faith question, it made sense to include cases where this overlap occurred.

I also eliminated cases in which, although the panel discussed fair use to some degree, fair use was not really disputed. So, for example, I excluded cases in which, even though the panel discussed the fair use defense, the website that the domain name displayed was simply a pornographic one.¹⁰⁷ I excluded these cases because they did not substantively implicate the fair use defense.

I also excluded decisions involving websites that offered only advertisements or domain names that displayed a “parked” website containing links to other vendors or websites. I excluded these cases because they generally could not qualify as either noncommercial or fair,¹⁰⁸ and, as a result, the respondent could not and would not assert a fair use defense. In general, panels tended to resolve these cases summarily in favor of the complainant.

After obtaining all 148 cases substantively discussing the fair use defense, I coded them for a variety of variables. One variable was sub-

¹⁰⁶ *UDRP*, *supra* note 5, § 4(a)(iii) (requiring the complainant to show that, in addition to the domain name being confusingly similar to the trademark and the respondent not having rights or legitimate interests in the domain name, it has been registered and is being used in bad faith).

¹⁰⁷ *E.g.*, *Microsoft Corp. v. Horner*, No. D2002-0029 (WIPO Feb. 27, 2002), <http://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0029.html>.

¹⁰⁸ *But see* *CP Masters B.V. v. RareNames*, WebReg, No. D2009-1673 (WIPO Feb. 11, 2010), <http://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-1673.html> (finding the registration of a domain name “speculatively, to either generate click-through revenue and be part of the portfolio of domain names in which the Respondent deals” fair because no bad faith existed).

ject-matter: each case fell into a category that designated the type of site displayed upon entering the domain name. I coded them into five categories: criticism, fan site, informational, personal, and other. “Criticism” means that the website displayed at a domain name made critical statements about some subject. The most common subject was the trademark holder, who was seeking to cancel or transfer the domain name. “Fan site” means that a supporter or proponent of a topic, person, or entity created the website displayed at the domain name. “Informational” means that the website displayed at the domain name provided information about some kind of topic, person, or entity. Frequently this was the trademark owner who attempted to cancel or transfer the domain name. “Personal” means that an individual created a website displayed at the domain name for personal use, such as e-mail or displaying family photographs. “Other” refers to fair use decisions that did not fit any of these categories.

I also coded for other variables, including (1) panel, respondent, and complainant nationality; (2) whether the panel cited U.S. law, foreign law, or neither; and (3) whether the respondent won in whole or in part.

I coded the nationality of each arbiter using WIPO’s website, which lists its arbitrators by country.¹⁰⁹ I coded the nationality of respondents and complainants using the decision itself, which indicated from where the parties hailed.

I also coded whether and what law each panel cited. Whenever a decision either mentioned or listed the law of another country, it was counted as “citing” that country’s law. Occasionally, a decision would cite a non-national law, such as a law of the European Union. These decisions also were counted as “citing” foreign law.

Of course, my analysis would have been incomplete without coding for the ultimate result of the case. Here, I coded whether a respondent “won” on the fair use defense. Given that multiple domain names may have been at issue, a respondent could win the dispute *and* lose the fair use defense in the same case. Thus, I recorded whether the respondent won as to all domain names (a “whole win”) or as to less than all the domain names at issue (a “partial win”). I also recorded whether the respondent “lost” on the fair use defense (and typically, but not always, on all defenses).¹¹⁰

¹⁰⁹ See *WIP Domain Name Panelists*, *supra* note 11.

¹¹⁰ For a detailed description of how the variables were coded, please refer to the protocols, which are available at http://www.bc.edu/content/dam/files/schools/law/bclawreview/pdf/53_1/simon_protocol.pdf.

III. FINDINGS

The purpose of this analysis was to determine whether the nationality of respondents or panels influenced the outcome of fair use proceedings. First, I analyzed whether respondents who were from the United States won more often than those from other countries.¹¹¹ Second, I analyzed whether U.S. panels were more likely to find fair use than non-U.S. panels.¹¹² Third, I analyzed the nationalities of panels and respondents in fair use cases.¹¹³ I report the findings in the next three Sections.

A. U.S. Respondents Win Twice as Many Fair Use Cases as Other Respondents

Figure 2 shows that U.S. respondents won twice as often as other respondents. Specifically, U.S. respondents won 35% of the time while other respondents won only 17% of the time. The differences were statistically significant ($p = 0.016$).¹¹⁴

Figure 2. Respondents' Outcomes in UDRP Fair Use Cases, by Respondent Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Respondent	29 (35%)	54 (65%)	83 (100%)
Other Respondent	11 (17%)	54 (83%)	65 (100%)
Total	40 26%	108 74%	148 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were statistically significant ($p = 0.016$).

These data also show that respondents in fair use cases win 26% of the time. That is slightly higher than the overall percentage of respondent

¹¹¹ See *infra* notes 114–120 and accompanying text.

¹¹² See *infra* notes 121–127 and accompanying text.

¹¹³ See *infra* notes 128–135 and accompanying text.

¹¹⁴ I used a Fisher's Exact test to compute statistical significance. A Fisher's Exact test is used to make comparisons across a two-by-two table (i.e., to compare proportions). H. RUSSELL BERNARD, *SOCIAL RESEARCH METHODS: QUALITATIVE AND QUANTITATIVE APPROACHES* 569–70 (2000); MICHAEL O. FINKELSTEIN & BRUCE LEVIN, *STATISTICS FOR LAWYERS* 154–56 (2d ed. 2001). Typically, a Fisher's Exact test is used when the cells in a table have an expected value of below five (i.e., for a small sample). BERNARD, *supra*, at 569. The test tells us the likelihood that our table shows an actual difference (i.e., that the differences are not a result of chance). See *id.* at 569–70; FINKELSTEIN & LEVIN, *supra*, at 156 n.2. Put another way, it tells us in Figure 2, for example, that we could expect these results by chance 1.5% of the time.

wins (20%) found in the last comprehensive empirical study.¹¹⁵ The differences in the proportions of respondent wins in fair use cases compared to WIPO decisions generally was not statistically significant ($z = -1.76$, $p = 0.08$).¹¹⁶

In addition to respondent nationality, I tested panel nationality against respondent nationality. Figure 3 shows that respondents win more often when a U.S. panel decides the dispute than when a panel from another country decides the dispute. Respondents win 36% of the time when a U.S. panel decides their case and 20% when a panel from another country does so. The difference was statistically significant ($p = 0.04$).

Figure 3. Respondents' Outcomes in UDRP Fair Use Cases, by Panel Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Panel	24 (36%)	43 (64%)	67 (100%)
Other Panel	16 (20%)	65 (80%)	81 (100%)
Total	40 27%	108 73%	148 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were statistically significant ($p = 0.040$).

After grouping the cases into criticism and noncriticism categories, U.S. respondents won more than other respondents in both categories. ("Noncriticism" cases mean all cases that did not involve the "criticism" category described in the previous Part.)¹¹⁷ The differences in winning percentage, however, were statistically significant only for noncriticism cases. That is, U.S. respondents won more often than other respondents in both criticism and noncriticism cases. But in only noncriticism cases were those differences statistically significant. Figure 4 shows that, in criticism cases where in which respondents won, U.S. respondents comprised 70% of cases and won 37% of the time.¹¹⁸

¹¹⁵ Geist, *supra* note 23, at 910 (stating "that complainants win 80.6% of the time with WIPO"); see Mueller, *supra* note 17, at 156–57 (showing a roughly 80% win-rate for complainants in all cases in which a WIPO panel rendered a decision).

¹¹⁶ I used a proportions test to generate the z-statistic. I ran the test based on the number of WIPO cases reported on UDRPInfo.com (2565). *UDRP Decisions*, *supra* note 64 (click the "View" hyperlink for "UDRP market share figures by provider").

¹¹⁷ See *supra* notes 108–110 and accompanying text.

¹¹⁸ I found that, in criticism cases, respondents won approximately 30% of the time. Another author found that respondents won 36% of the time in cases classified as "critic or commentary." MUELLER, *supra* note 17, at 11.

Figure 4. Respondents' Outcomes in UDRP Criticism Fair Use Cases, by Respondent Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Respondent	14 (37%)	24 (63%)	38 (100%)
Other Respondent	6 (22%)	21 (78%)	27 (100%)
Total	20 31%	45 69%	65 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were not statistically significant ($p = 0.278$) (one-tailed, $p = 0.162$).

Other respondents, by contrast, comprised only 30% of the cases and won 22% of the time. The differences fell short of statistical significance ($n = 63$, $p = 0.278$) (one-tailed, $p = 0.162$).¹¹⁹

In noncriticism cases in which the respondent won, U.S. respondents comprised 75% of the cases and won 33% of the time. Other respondents comprised 25% of the cases and won 13% of the time. As Figure 5 shows, the differences in win percentage for U.S. and other respondents for noncriticism cases were statistically significant ($n = 83$, $p = 0.041$) (one-tailed, $p = 0.028$).¹²⁰

Figure 5. Respondents' Outcomes in UDRP Noncriticism Fair Use Cases, by Respondent Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Respondent	15 (33%)	30 (67%)	45 (100%)
Other Respondent	5 (13%)	33 (77%)	38 (100%)
Total	20 24%	63 76%	83 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were statistically significant ($p = 0.041$) (one-tailed, $p = 0.028$).

Although the difference between the winning percentage of U.S. and non-U.S. respondents was not statistically significant, I still needed to examine panel nationality. The difference in winning percentage between U.S. and non-U.S. panels was significant for criticism *but not* noncriticism cases. Figure 6 shows that U.S. panels find for respondents

¹¹⁹ I used a Fisher's Exact to test the differences.

¹²⁰ I used a Fisher's Exact to test the differences.

in 50% of the cases compared to 18% for other panels. This difference was statistically significant ($n = 65$, $p = 0.012$).

Figure 6. Respondents' Outcomes in UDRP Criticism Fair Use Cases, by Panel Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Panel	13 (50%)	13 (50%)	26 (100%)
Other Panel	7 (18%)	32 (82%)	39 (100%)
Total	20 31%	45 69%	65 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were statistically significant ($p = 0.012$) (one-tailed, $p = 0.007$).

The story for noncriticism cases is different. Figure 7 shows that respondent wins and losses differ based on the nationality of the deciding panel. In cases decided by U.S. panels, respondents won 27% of the time. When other panels decided the case, respondents won 21% of the time. The difference between these percentages, however, was not statistically significant ($n = 83$, $p = 0.798$).

Figure 7. Respondents' Outcomes in UDRP Noncriticism Fair Use Cases, by Panel Nationality

	Respondent Wins	Respondent Losses	Total
U.S. Panel	11 (27%)	30 (73%)	41 (100%)
Other Panel	9 (21%)	33 (79%)	42 (100%)
Total	20 24%	63 76%	83 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were not statistically significant ($p = 0.615$) (one-tailed, $p = 0.375$).

To summarize, the data revealed two findings. First, U.S. respondents win more often in fair use cases than respondents from other countries. Second, in fair use cases, U.S. panels rule for respondents more often than panels from other countries. Respondent nationality and panel nationality have opposite relationships with criticism and noncriticism cases. In noncriticism cases, the respondent's nationality is related to whether they win or lose their fair use defense. The same is not true in criticism cases—respondent nationality is not related to whether the respondent wins a fair use dispute. Panel nationality shows just the opposite. In noncriticism cases, the nationality of the panel is

not related to the outcome. In criticism cases, however, U.S. panels decide more disputes in favor of the respondent than other panels.

B. U.S. Law Dominates UDRP Decisions

To investigate further, I determined whether and when panels cited U.S. law in their decisions. To qualify as “citing” U.S. law, a panel merely had to cite a U.S. case in any portion of the decision. In many decisions, panels cited U.S. law in discussions of subjects other than fair use. I used the “citation anywhere” criterion because many fair use decisions did not cite U.S. law in their fair use discussion. Nevertheless, a citation to U.S. law in another part of the decision shows that the panel considered U.S. law in some respect. Because it was difficult to devise a metric that would measure the influence of U.S. law, this variable is an indication of whether U.S. law influenced the decision making process.

Even those numbers alone, however, would not tell the whole story. Recall that the primary findings show that U.S. panels give, and U.S. respondents get, more favorable treatment than other panelists or respondents. Thus, it is important to see both the nationality of the panels citing U.S. law and the nationality of the respondents in cases where panels cite U.S. law. Figures 8 and 9 show the data for these two groups.

Overall, panels cited U.S. law in fair use cases 30% of the time. Panels cited foreign law in fair use cases only 6% of the time. In the remaining 64% of fair use cases, panels did not cite any nation’s law.

Figure 8. Panels Citing U.S. Law in UDRP Fair Use Cases, by Respondent Nationality

	U.S. Law Cited	Foreign Law Cited	No Law Cited	Total
U.S. Respondent	34 (41%)	1 (1%)	48 (58%)	83 (100%)
Other Respondent	10* (15%)	8 (12%)	47 (73%)	65 (100%)
Total	44 30%	9 6%	95 64%	148 100%

Source: WIPO Online Database of UDRP Decisions

A Yates’ Chi-Square showed the differences were statistically significant, $X^2(2, N = 148) = 13.837, p < 0.000$.

*Three additional cases cited U.S. law and foreign law, so I excluded them from the U.S. Law Category.¹²¹

¹²¹ Coast Hotels Ltd. v. Lewis, No. D2009-1295 (WIPO Nov. 23, 2009), <http://www.udrpsearch.com/wipo/d2009-1295>; Volkswagen Aktiengesellschaft v. MapleOne Solutions, No. D2003-0326 (WIPO June 16, 2003), <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0326.html>; Espirito Santo Fin. Grp. S.A. v. Colman, No. D2001-1214 (WIPO Jan. 22, 2002), <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1214.html>. Excluding these cases entirely does not alter the chi-square analysis.

Figure 8 also shows the data specific to respondent nationality. Panels cited U.S. law in 41% of cases with U.S. respondents. By contrast, they cited U.S. law in only 15% of cases with other respondents.¹²²

I also examined patterns of foreign law citations. In cases with U.S. respondents, panels almost never cited or applied foreign law. In cases where the respondent was not from the U.S., however, panels cited foreign law 12% of the time. These were statistically significant, $X^2(2, N = 148) = 13.837, p = 0.000$.¹²³

Finally, I investigated the nationalities of panels applying U.S. law. If a panel-specific legal bias exists, it would manifest itself in citation patterns. Figure 9 shows that U.S. panels cited U.S. law 47% of the time and cited foreign law 0% of the time.¹²⁴

Figure 9. Panels Citing U.S. Law in UDRP Fair Use Cases, by Panel Nationality

	U.S. Law Cited	Foreign Law Cited	No Law Cited	Total
U.S. Panel	32 (47%)	0 (0%)	35 (52%)	67 (100%)
Other Panel	12* (15%)	9 (11%)	60 (74%)	81 (100%)
Total	44 30%	9 6%	95 64%	148 100%

Source: WIPO Online Database of UDRP Decisions

A Yates' Chi Square showed the differences were statistically significant, $X^2(2, N = 148) = 17.572, p < 0.000$.

*Three additional cases cited U.S. law and foreign law, so I excluded them from the U.S. Law Category. They were included in Foreign Law Citations.¹²⁵

Other panels cited U.S. law 15% of the time, and cited foreign law 11% of the time. The differences were statistically significant $X^2(2, N = 148)$

¹²² Additionally, panels *applied* U.S. law in 20% of the cases with U.S. respondents. In cases with other respondents, however, panels applied U.S. law 6% of the time. The differences were statistically significant ($n = 148, p = 0.017$). Simply applying U.S. law did not always mean the respondent won. *E.g.*, Wal-mart Stores, Inc. v. Walsucks & Walmarket Puerto Rico, No. D2000-0477 (WIPO July 20, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0477.html>.

¹²³ I used a Yates' Chi-Square to test these differences. Yates' Chi-Square is a version of Chi-Square used with small samples. BRUCE M. KING, PATRICK J. ROSOPA & EDWARD W. MINIMUM, *STATISTICAL REASONING IN THE BEHAVIORAL SCIENCES* 375 (6th ed. 2011). It is designed to reduce the overestimation of statistical significance by reducing the value of X^2 , which makes statistical significance less likely. *Id.* The Chi-Square uses a sample frequency or proportion to test a hypothesis about a corresponding population from which the sample is drawn. FREDERICK J. GRAVETTER & LARRY B. WALLNAU, *STATISTICS FOR THE BEHAVIORAL SCIENCES* 607 (8th ed. 2009).

¹²⁴ See *infra* Figure 9.

¹²⁵ *Coast Hotels*, No. D2009-1295; *MapleOne Solutions*, No. D2003-0326; *Espirito Santo*, No. D2001-1214. Excluding these cases entirely does not alter the chi-square analysis.

= 17.572, $p = 0.000$.¹²⁶ U.S. panels found fair use in most of the cases (75%) in which they applied U.S. law.¹²⁷

C. U.S. Panels Decide Mostly Cases Involving U.S. Respondents

To investigate nationality further, I examined the nationality of panels deciding cases with U.S. respondents. The Introduction explains the UDRP's procedures for selecting both one-member and three-member panels.¹²⁸ In spite of the procedures, little is known about how WIPO (and other providers) select specific arbitrators.¹²⁹ Figure 10 shows that most cases that U.S. panels decide involve U.S. respondents. Other panels, by contrast, decided mainly cases with respondents from other countries.

Figure 10. Nationality of Panels Deciding Fair Use Cases, by Respondent Nationality

	U.S. Panel	Other Panel	Total
U.S. Respondent	56 (67%)	27 (33%)	83 (100%)
Other Respondent	12 (18%)	53 (82%)	65 (100%)
Total	68 46%	80 54%	148 100%

Source: WIPO Online Database of UDRP Decisions

A Fisher's Exact showed the differences were statistically significant ($p = 0.00$)

The differences were statistically significant ($p = 0.00$). Additionally, U.S. panels are deciding almost 46% of all fair use cases, compared with 54% for other panels.

But how does this compare to the number of arbitrators by nationality? There are a total of 453 WIPO arbitrators.¹³⁰ Of those, 109 are from the United States.¹³¹ The remaining 344 arbitrators are from other countries.¹³² Thus, of all WIPO arbitrators, 24% are from the U.S. and the remaining 76% are from other countries. Figure 11 shows that, after the United States, the next four countries with the highest per-

¹²⁶ Again, I used a Yates' Chi-Square to test these differences.

¹²⁷ Of the fifteen cases decided by U.S. panels that applied U.S. law, eleven found fair use.

¹²⁸ See *supra* notes 23–30 and accompanying text.

¹²⁹ Geist, *supra* note 23, at 910 (“Although the ICANN Rules and provider supplemental rules indicate how panelists are selected, 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.”) (footnote omitted).

¹³⁰ *WIPO Domain Name Panelists*, *supra* note 11.

¹³¹ *Id.*

¹³² *Id.*

centage of arbitrators are the United Kingdom (10%), Australia (6%), Switzerland (5%), and France (5%).¹³³

Figure 11. Proportion of WIPO UDRP Arbitrators, by Arbitrator Nationality

Arbitrator Nationality	Number of Arbitrators	Proportion of Arbitrators(%)
United States	109	24%
United Kingdom	46	10%
Australia	29	6%
Switzerland	23	5%
France	22	5%
All Others	225	50%
Total	453	100%

Source: WIPO online list of arbitrators. The list is not entirely accurate as several arbitrators that decided disputes were not listed in this database.

The other fifty countries not listed in Figure 11 comprised the remaining 50% of arbitrators. So, although U.S. arbitrators comprise 24% of all arbitrators, U.S. panels decided 45% of all fair use cases. In other words, U.S. panels are assigned to more than their proportional share of fair use cases.

But, there is one other question: who are the respondents when the U.S. panels decide fair use cases? If they are from the United States, then the difference between the total percentage of U.S. arbitrators and the percentage of U.S. panels deciding fair use can be explained by a panel assignment policy: WIPO assigns U.S. panels to decide cases involving U.S. respondents.¹³⁴ Specifically, of the sixty-seven cases decided by U.S. panels, fifty-two involved U.S. respondents and U.S. complainants. Of those cases, four cases involved only U.S. respondents. Five other cases included only a U.S. complainant.

Thus, the data show that 78% of cases with U.S. panels involved U.S. respondents *and* complainants. When I included all cases that involved at least one U.S. party, that number jumped to 88%. Only in 12% of all cases decided by U.S. panels was neither party from the United States. Put simply, most U.S. panels decided cases involving at least one party from the United States.

Panels from countries other than the United States had lower rates. Figure 12 shows that other panels decided cases involving parties

¹³³ The following are the country-specific number of arbitrators: United Kingdom (forty-five), Australia (twenty-nine), Switzerland (twenty-three), and France (twenty-two). *Id.*

¹³⁴ Because three-member panels decided only twenty out of 148 cases (13.5%), WIPO assigned arbitrators in 86.5% of all cases.

with no relation to their home countries much more frequently than U.S. panels.

Figure 12. Cases in Which at Least One Party Is from the Same Country as the Panel, by Total Number of Cases Decided

Panel Country	Number of Cases	At Least 1 Party From Panel Country (%)
United States	67	59 (88%)
Australia	20	4 (20%)
United Kingdom	16	8 (50%)
Canada	9	2 (22%)
New Zealand	7	1 (14%)

To summarize, the data show three things. First, panels deciding cases with U.S. respondents cited U.S. law more frequently than panels with other respondents. Second, U.S. panels cited U.S. law more frequently than other panels cited U.S. law. In fact, the respondent won every case in which a U.S. panel cited U.S. law. Finally, U.S. panels decided mostly cases with at least one U.S. party.¹³⁵ Other panels, by contrast, decided a majority of cases in which neither party shared the same nationality as the panel.

When combined with the previous findings, the data show that, in fair use cases decided by WIPO, U.S. panels provide, and U.S. respondents receive, treatment more favorable than panels or respondents from other countries. I refer to these phenomena as “U.S. Favoritism.”

IV. IMPLICATIONS: EXPLAINING U.S. FAVORITISM AND REFORMING THE UDRP

These findings raise two issues. First, what explains U.S. Favoritism? Second, given this explanation, what reforms, if any, should ICANN make to the UDRP?

A. *Explaining U.S. Favoritism*

Two factors help to explain U.S. Favoritism. The first is the UDRP’s choice of law provision. The second is panel nationality. But before reaching the issue of panel nationality, this Section addresses WIPO’s

¹³⁵ Out of all 148 disputes, 83 (56%) involved U.S. respondents. *See supra* Figure 2. In all disputes before WIPO, U.S. respondents comprise nearly 37% of all respondents. *Respondent Country Filing (Ranking)*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/statistics/countries.jsp?party=R> (last visited Dec. 20, 2011).

official opinion on rules applied by panels.¹³⁶ Although not a factor that caused U.S. Favoritism, it does elucidate how the phenomenon arose. Thus, the analysis proceeds in three steps. First, this Section discusses how the choice of law provision's vagueness enabled panels to cite and apply—or avoid citing and applying—local (national) law.¹³⁷ Second, it explains how WIPO Rules that favored U.S. parties developed, and thus contributed to U.S. Favoritism.¹³⁸ The Section ends with a discussion of how panel nationality, combined with the choice of law provision and WIPO rules, played a role in U.S. Favoritism.¹³⁹

1. Choice of Law Provision Influences What Law Applies

The UDRP's choice of law provision can help explain why U.S. Favoritism exists. As noted in Part I, the choice of law provision is open ended: it gives panels discretion to apply any "principles of law that [they] deem[] applicable."¹⁴⁰ One could construe this as a command to apply the law of a party's home country. Indeed, panels in fair use cases do just that in 41% of the cases involving U.S. respondents. But, not all panelists follow that route. Sometimes arbitrators in fair use cases apply the law of their *own* country.¹⁴¹ U.S. panels do this in 47% of all cases they hear; other panels do this in less than 12% of cases. More often, however, arbitrators apply *no* law; instead, they invent or adopt UDRP rules to govern particular factual situations. These different applications show that panels in fair use cases have not developed a consistent method of choosing nations' laws. They have, though, cited U.S. law more often than other nations' laws in fair use cases. The question then becomes, why? Part of the answer lies in the rules WIPO panels have developed and applied in fair use cases.

2. WIPO Rules of Decision

In February 2005, WIPO published on its website a variety of rules its panels have developed, entitled "WIPO Overview of WIPO Panel Views on Selected UDRP Questions" ("Rules" or "WIPO Rules").¹⁴²

¹³⁶ See *infra* notes 140–198 and accompanying text.

¹³⁷ See *infra* notes 140–141 and accompanying text.

¹³⁸ See *infra* notes 142–158 and accompanying text.

¹³⁹ See *infra* notes 159–198 and accompanying text.

¹⁴⁰ *UDRP Rules*, *supra* note 5, § 15(a); *supra* notes 66–73 and accompanying text.

¹⁴¹ No arbitrators apply their home country's law when it differs from the law of the parties' respective countries.

¹⁴² *WIPO Rules*, *supra* note 67.

These Rules developed inductively—much like common law.¹⁴³ For the most part, they represent an informal consensus or agreement on how to apply a rule in a given factual situation.¹⁴⁴ Although the Rules are not binding, panels frequently cite them: out of the eighty-three fair use cases included in my sample since 2005, twenty-seven decisions (or 32%) explicitly cited WIPO's Rules (discussed below). Given that these Rules represent de facto precedents,¹⁴⁵ a WIPO Rule favoring U.S. respondents (or disfavoring other respondents) in fair use cases could help explain U.S. Favoritism.

On certain issues, WIPO Rules have “split” into two competing viewpoints.¹⁴⁶ One set of these Rules addresses domain names used for criticism websites (“Criticism Rules”).¹⁴⁷ The second set of Rules relates to fan sites (“Fan Site Rules”), websites about famous people created by fans or supporters.¹⁴⁸

The first Criticism Rule explains that “[t]he right to criticize does not extend to registering a domain name that is identical or confusingly similar to the owner's registered trademark or conveys an associa-

While some of [the listed] issues arise only infrequently, all of them are, or are perceived to be, relevant to the operation of the UDRP. On most of these issues, consensus or clear majority views have developed. Certain other questions attract a diversity of views. The WIPO Center's identification of questions and careful and conservative evaluation of opinions is based on some 20,000 UDRP cases it has administered through March 31, 2011.

Id.

¹⁴³ *Id.* (“On most of these issues, consensus or clear majority views *have developed*. Certain other questions attract a diversity of views.”) (emphasis added).

¹⁴⁴ *Id.*

¹⁴⁵ MUELLER, *supra* note 17, at 19 (explaining that, in 2002, over half of the UDRP decisions cite other UDRP decisions, and that “[t]he majority [of these decisions] not only cite other cases but rely on precedent extensively to reason out and support their decisions”).

¹⁴⁶ *E.g.*, *Asset Loan Co. Pty Ltd v. Rogers*, No. D2006-0300 (WIPO May 2, 2006), <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-0300.html>. The court noted that, although

a number of distinguished Panelists take the view that a bona fide non-commercial criticism site connected to a domain name featuring the trademark of a subject of the criticism is fair use of the domain name for the purposes of the Policy[,]' . . . Other panelists . . . have taken a contrary view.

Id. (quoting *Bonneterie Cevenole S.A.R.L. v. Sanyouhuangong*, No. D2001-1309 (WIPO Jan. 21, 2002), <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1309.html>).

¹⁴⁷ *WIPO Rules*, *supra* note 67, § 2.4.

¹⁴⁸ *Id.* § 2.5.

tion with the mark.”¹⁴⁹ The second Criticism Rule notes that, “[i]rrespective of whether the domain name . . . connotes criticism,” the respondent can make a noncommercial use of the mark in the domain name of a criticism site.¹⁵⁰ WIPO goes on to assert that “[i]n cases involving only US parties or the selection of a U.S. mutual jurisdiction, panelists tend to adopt the reasoning in [the second Rule] (though not universally).”¹⁵¹ It does not, however, explore this phenomenon further.

The other potentially relevant set of Rules involves fan sites. These Fan Site Rules are similar to those WIPO has recognized in criticism cases.¹⁵² The first Fan Site Rule states that domain names incorporating trademarks can be distinguished either by other words or by the content of the site.¹⁵³ In other words, fan sites can avoid an adverse decision if they are “clearly distinctive from any official site.”¹⁵⁴ The second Fan Site Rule states that any domain name that incorporates the trademark is confusingly similar to the trademark.¹⁵⁵ The number of cases involving fan sites is small (n = 16). There are only three cases in which respondents won (19%).¹⁵⁶ Two of those cases—*Société Anonyme*

¹⁴⁹ *Id.* § 2.4 (“The right to criticize does not necessarily extend to registering and using a domain name that is identical or confusingly similar to the complainant’s trademark.”).

¹⁵⁰ *Id.* (“[T]he respondent has a legitimate interest in using the trademark as part of the domain name of a criticism site if such use is fair and noncommercial.”).

¹⁵¹ *Id.*

¹⁵² *See id.* § 2.5.

¹⁵³ *WIPO Rules, supra* note 67, § 2.5 (“View 1: The registrant of an active and non-commercial fan site may have rights and legitimate interests in the domain name that includes the complainant’s trademark. The site should be actually in use, clearly distinctive from any official site, and noncommercial in nature.”).

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

View 2: A respondent does not have rights or legitimate interests in expressing its view, even if positive, on an individual or entity by using an identical or confusingly similar domain name, if the respondent is intentionally misrepresenting itself as being (or as in some way associated with) that individual or entity, or seeks to derive commercial advantage from its registration and use. Also, where the domain name is identical to the trademark, panels have noted that such respondent action prevents the trademark holder from exercising its rights to the trademark and managing its presence on the Internet.

Id.

¹⁵⁶ *Estate of Francis Newton Souza v. ZWYX.org Ltd.*, No. D2007-0221 (WIPO June 18, 2007), <http://www.udrpsearch.com/wipo/d2007-0221>; *Société Anonyme de La Colline Champel v. Angelini*, No. D2005-1059 (WIPO Dec. 5, 2005), <http://www.wipo.int/amc/en/domains/decisions/html/2005/d2005-1059.html>; *2001 White Castle Way, Inc. v. Jacobs*, No. D2004-0001 (WIPO Mar. 26, 2004), <http://www.wipo.int/amc/en/domains/decisions/html/2004/d2004-0001.html>.

de La Colline Champel v. Angelini, in 2005, and *White Castle Way, Inc. v. Jacobs*, in 2004—involved U.S. respondents.¹⁵⁷ All three of these cases applied the first Fan Site Rule.

These Rules explain at least part of U.S. Favoritism. Recall that, in criticism cases, U.S. respondents won more often than other respondents.¹⁵⁸ The data show that the Criticism Rules and Fan Site Rules have been applied to and favor U.S. respondents, though the effect of the latter Rules is not large. WIPO also has stated as much by recognizing that the Criticism Rules exist and apply in cases involving some U.S. party or panel. Although 43% of all fair use cases are criticism cases, the Criticism Rules may help to explain U.S. Favoritism. The difference between U.S. and non-U.S. respondent winning percentages in criticism cases is not significant ($p > 0.05$). More importantly, though, the differences between respondent winning percentages when U.S. and non-U.S. arbitrators decide their case is significant (one-tailed, $p = 0.007$). Thus, while WIPO Rules can help explain U.S. Favoritism, the Rules cannot explain everything. Indeed, how panels applied the Rules is related to both panel and respondent nationality.

3. Panel Nationality

Panels seem to have created the speech-friendly Criticism Rule by repeatedly applying U.S. law, or what they perceive to be U.S. law.¹⁵⁹ Why, though, did panels import U.S. laws into the UDRP? The primary explanation seems to be panel nationality. Out of the twenty-one fair use cases in which U.S. law has been applied, only four times (19%) was the panel from a country other than the United States.¹⁶⁰ Additionally,

¹⁵⁷ See *Angelini*, No. D2005-1059; *Jacobs*, No. D2004-0001.

¹⁵⁸ U.S. respondents win thirty-eight percent of the time in criticism cases. Other respondents, however, win only twenty-one percent of the time. See *supra* Figure 4.

¹⁵⁹ Indeed, all five decisions cited by WIPO as examples of this Rule involve U.S. respondents and U.S. panels applying U.S. law. *WIPO Rules*, *supra* note 67, § 2.4 (citing: (1) *Sutherland Inst. v. Continuitive LLC*, No. D2009-0693 (WIPO July 10, 2009), <http://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0693.html> (complaint denied); (2) *Sermo, Inc. v. CatalystMD, LLC*, No. D2008-0647 (WIPO July 2, 2008), <http://www.wipo.int/amc/en/domains/decisions/html/2008/d2008-0647.html> (complaint denied); (3) *Howard Jarvis Taxpayers Ass'n v. McCauley*, No. D2004-0014 (WIPO Apr. 22, 2004), <http://www.wipo.int/amc/en/domains/decisions/html/2004/d2004-0014.html> (complaint denied); (4) *TMP Worldwide Inc. v. Potter*, No. D2000-0536 (WIPO Aug. 5, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0536.html> (complaint denied); (5) *Bridgestone Firestone, Inc., v. Myers*, No. D2000-0190 (WIPO July 6, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0190.html> (complaint denied)).

¹⁶⁰ *RapidShare AG v. Yanpeng*, No. D2010-0893 (WIPO July 28, 2010), <http://www.wipo.int/amc/en/domains/search/text.jsp?case=d2010-0893>; *Ryanair Ltd. v. Coulston*, No.

as noted, U.S. panels found in favor of fair use more than their foreign counterparts in criticism cases.

Why might U.S. panels have done this? One explanation is sheer opportunity. The United States has the highest percentage of arbitrators, comprising 24% of all WIPO arbitrators. As noted in Part II, the next four countries with the highest proportion of arbitrators are the United Kingdom (10%), Australia (6%), Switzerland (5%), and France (5%).¹⁶¹ Additionally, U.S. panels are deciding nearly 50% of all fair use cases.

The parties' nationality might also have influenced U.S. panels' decisions to import U.S. law. Most cases decided by U.S. panels (75%) involved both U.S. respondents and complainants. When you include all cases that involve at least one U.S. party that number jumps to 88%. Thus, in addition to the sheer number of cases U.S. panels have decided, the parties involved may influence the decision to apply U.S. law.

U.S. panels primarily are responsible for importing U.S. legal principles into the UDRP. And, typically, this occurs when resolving a dispute involving U.S. parties. So the nationalities of the parties and the panels seem to matter. Once imported, the law is used to decide a dispute. This, in turn, results in a rule that reflects U.S. law, which WIPO panels perceive as more protective of free speech than most other countries.¹⁶²

Although it is unclear whether that perception of U.S. law is accurate, it seems likely to be. U.S. trademark law, for example, allows for criticism, comment, and even parody of mark, though typically not when the use of the mark is confusing.¹⁶³ Of the thirty-three other countries whose arbitrators decided cases in my study, it seemed that the laws of most other countries did not attempt to further similar poli-

D2006-1194 (WIPO Dec. 12, 2006), <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-1194.html>; Sabanci v. iu, No. D2003-0498 (WIPO July 23, 2003), <http://www.udrpsearch.com/wipo/d2003-0498>; Voigtländer GmbH v. John Voigtlander, No. D2003-0095 (WIPO Apr. 18, 2003), <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0900.html>.

¹⁶¹ See *supra* Figure 11.

¹⁶² This may be because U.S. trademark law allows for uses of marks in order to criticize or comment on them, either under the fair use defense or a parody defense. 15 U.S.C. § 1125(c)(3)(A) (2006) (establishing a fair use defense for dilution when the use parodies or criticizes the mark); *id.* § 1125(c)(3)(B) (establishing a fair use defense for dilution for news reporting and news commentary); David A. Simon, *The Confusion Trap: Rethinking a Defense for Parody in Trademark Law* (forthcoming presentation).

¹⁶³ See Simon, *supra* note 162.

cies.¹⁶⁴ There were, however, some exceptions. In Germany, for example, one court has held that the German Constitution provides a defense for satirical uses of trademarks.¹⁶⁵ Other countries, like France, exempt from liability noncommercial “informational” and “political” uses of trademarks.¹⁶⁶ Other countries, like Brazil, exempt from liability “noncommercial,” “truthful” trademark uses, but also “prevent reference to the mark in speeches or publications” when the reference is commercial and causes “detriment to the trademark.”¹⁶⁷

On the whole, most countries did not expressly exempt uses for comment, criticism, parody, or satire. Even the European Union’s (EU) Directive to harmonize European Community trademark law does not specify any free speech protections for parody, commentary, or criticism.¹⁶⁸ Indeed, at least one court in Europe (the Austrian Supreme Court) has ruled that the EU Directive in conjunction with an EU Regulation prohibits parodic uses of trademarks on commercial products.¹⁶⁹

That said, the Directive does provide some safeguards, though they are not robust. Article 3, for example, states that certain words cannot be registered as trademarks, such as those without distinctive character.¹⁷⁰ Likewise, Article 6 limits the rights of mark owners by allowing

¹⁶⁴ To determine whether other countries had trademark laws that accommodated free speech interests I consulted two sources: ETHAN HORWITZ, *WORLD TRADEMARK LAW AND PRACTICE* (2d ed. 2011) and EDWARD J. FENNESSY, *TRADEMARKS THROUGHOUT THE WORLD* (5th ed. 2011). Using these two sources, I searched the law of each country for whether the law permitted “expressive uses.” Loosely defined, this meant that I searched for whether the law immunized from liability criticism, comment, parody, or satire of trademarks. Because these sources provided mere synopses of many countries’ laws, it was difficult to determine whether the law punished or exempted respondents from liability for expressive uses. If the source did not affirmatively indicate that a country’s law immunized expressive uses, I presumed that the law punished such uses.

¹⁶⁵ 2-7 HORWITZ, *supra* note 164, § 7.01[4] (“It is also a defense to infringement if the mark is used in a satirical way based on the constitutional freedom of art.”).

¹⁶⁶ FRA-7 *id.* § 7.01[4] (“It is a defense to infringement that the mark was used for information purposes and not for commercial or advertising purposes. The use of the mark in a political statement is not infringement.”).

¹⁶⁷ BRA-7 *id.* § 7.01[4] (noting that “[t]he owner of a mark may not . . . [p]revent reference to the mark in speeches or publications, as long as it is done with no commercial connotation and no detriment to the trademark”).

¹⁶⁸ See Directive 2008/95/EC, Approximate the Laws of the Member States Relating to Trade Marks, 2008 O.J. (L 299) 25 (EU).

¹⁶⁹ Ferdinand Graf, *Supreme Court Rules on Permissibility of Trademark Parodies*, INT’L LAW OFFICE (Apr. 26, 2010), http://www.glp.com.br/templates/contendo_geral_en.aspx?page=2497&idiom=1 (noting that the Austrian Supreme Court held, on September 22, 2009, that the STYRIAGRA mark used on pumpkin seeds and touted as aphrodisiac diluted the VIAGRA mark and explaining how the Austrian Supreme Court distinguished the German court decision allowing the use of the mark on parody grounds).

¹⁷⁰ Council Directive 2008/95/EC, art. 3(1)(b), 2008 O.J. (L 299) 25, 27.

for uses of a trademark to describe or compare products.¹⁷¹ Despite these limited protections, some argue that the EU Directive has an additional safeguard: it limits liability only to those uses “in the course of trade.”¹⁷²

So, some panels developed competing rules based on their perception of U.S. and non-U.S. law. As other panels draw on that rule, it replicates and becomes more prevalent. Indeed, WIPO’s Criticism Rules illustrate this fact.¹⁷³ Although WIPO acknowledges that some U.S. component plays a role in the Criticism Rules, it does not claim that panels are applying U.S. law. Instead, the Criticism Rules are based on panel decisions. Some of these decisions, of course, cited U.S. law.

In contrast, foreign law has not birthed any specific rule in fair use cases. This is likely because panels have imported other countries’ laws a total of six times, with only Spain’s laws referenced more than once.¹⁷⁴ As a result, no other country’s law has influenced the application of the UDRP to the extent as U.S. law. Or, perhaps all other countries’ laws are just less speech protective; thus, they are the default UDRP Rule. The outcome is a division in UDRP application: panels apply either U.S. law or a *sui generis* UDRP rule.

Still, the question lingers: why have panels *not* imported *foreign law*? Unfortunately, most panels do not even discuss the choice of law provision. In only six cases did a panel discuss whether to apply a particular country’s law.¹⁷⁵ Sometimes, other cases would discuss why a potential

¹⁷¹ *Id.* art. 6, at 29. It is interesting to note that the Directive uses the word “unfair” five times, but never once uses the word “fair.” *See id.*

¹⁷² *Id.* art. 5, at 29 (providing rights “to prevent all third parties not having [the trademark owner’s] consent from using [the mark] in the course of trade”).

¹⁷³ *WIPO Rules*, *supra* note 67, § 2.4.

¹⁷⁴ *Consejería de Sanidad de la Comunidad de Madrid v. Morán Llanes*, No. D2008-1400 (WIPO Nov. 20, 2008), <http://www.wipo.int/amc/en/domains/decisions/html/2008/d2008-1400.html>; *Canonais, S.L. v. Díaz Ros*, No. D2000-0592 (WIPO Oct. 2, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0592.html>; *Metro Bilbao, S.A. v. Fernández*, No. D2000-0467 (WIPO Aug. 31, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0467.html>.

¹⁷⁵ *Coast Hotels, Ltd. v. Lewis & UNITE HERE*, No. D2009-1295 (WIPO Nov. 23, 2009), <http://www.udrpsearch.com/wipo/d2009-1295>; *Grupo Costamex, SA de C.V. v. Smith & Oneandone Private Registration / 1&1 Internet Inc.*, No. D2009-0062 (WIPO Mar. 25, 2009), <http://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0062.html>.

Accordingly, the Panel is not disposed to apply either the law of the United States of America (the country of domicile of the Respondents and the registrar) or the law of Mexico (the Complainant’s country of domicile), in deciding whether the Respondents’ website as it stood on June 12, 2008, constituted a use of the Domain Name falling within paragraph 4(c)(iii) of the Policy. Nor is the Panel attracted to the idea, proposed in the *Sermo, Inc.* case,

split arose in the Criticism Rules (e.g., the United States has a strong tradition of free speech that other countries do not share).¹⁷⁶ It did not, however, discuss the choice of law provision or the merits of applying a particular country's law.

One explanation for the lack of foreign law, then, is thoughtless panels. Foreign panels do not think that choice of law is an issue warranting attention. But that explanation is not very helpful. It is still important to know why panels seem indifferent to choice of law issues.

One arbitrator suggests that the reason is that panels from countries other than the United States favor a "unified" or "self-referential" UDRP.¹⁷⁷ That is, panels favor a UDRP that develops and applies its own, independent rules over one that relies on local laws.¹⁷⁸ Why? Because the UDRP and trademark laws serve different purposes: "[T]he Policy and local laws as to cybersquatting and trademark infringement

that conflicts of laws provisions should be applied to assist in the selection of some particular national law by which to judge the concepts of 'fair' and 'legitimate' in paragraph 4(c)(iii) of the Policy. The interpretation of a standard-form contract (i.e., that between a domain name registrant and the domain name registrar), the relevant terms of which are mandated by the Policy and have been designed to operate in a cross-border environment, should not differ in accordance with the location or nationalities of the parties, the registrar, or the panel, and nor should it depend on the location of the relevant website.

Grupo, D2009-0062; see also 1066 Housing Ass'n Ltd. v. Morgan, No. D2007-1461 (WIPO Jan. 18, 2008), <http://www.wipo.int/amc/en/domains/decisions/html/2007/d2007-1461.html>; Heineken España, S.A. v. Domingo González Ruiz, No. D2001-1202 (WIPO Dec. 12, 2001), <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1202.html>; Arthur Guinness Son & Co. (Dublin) Ltd. v. Dejan Macesic, No. D2000-1698 (WIPO Jan. 25, 2001), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-1698.html>; Bridgestone Firestone, Inc. v. Meyers, No. D2000-0190 (WIPO July 6, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0190.html>. Although the *Grupo* panel rejected the choice of law issue, it went on to apply U.S. law's initial interest confusion doctrine to find bad faith. No. D2009-0062.

¹⁷⁶ *E.g.*, CBS Broad. Inc. v. Z. aghloul, No. D2004-0988 (WIPO Feb. 5, 2005), <http://www.wipo.int/amc/en/domains/decisions/html/2004/d2004-0988.html>.

¹⁷⁷ 1066 Housing Ass'n, No. D2007-1461.

¹⁷⁸ *Id.* (agreeing with a previous decision that found that, "[a]s a matter of principle, this Panel would not have thought that it was appropriate to import unique national legal principles into the interpretation of paragraph 4(c) of the Policy. This is so even if the effect of doing so is desirable in aligning decisions under the Policy with those emerging from the relevant courts and thus avoiding instances of forum shopping" (quoting Covance, Inc. & Covance Labs. Ltd. v. The Covance Campaign, No. D2004-0206 (WIPO Apr. 30, 2004), <http://www.wipo.int/amc/en/domains/decisions/html/2004/d2004-0206.html>)).

are different. They do not do, and are not intended to do, the same thing.”¹⁷⁹

Beyond having different purposes, there is a worry about *uniformity* and *certainly*: using local laws “risks the UDRP fragmenting into a series of different systems, where the outcome to each case would depend upon where exactly the parties happened to reside. That way chaos lies.”¹⁸⁰ Additionally, “bringing local law into the assessment of the Policy . . . undermines the very goal of commercial certainty”¹⁸¹ Since 64% of panels do not apply any law, this explanation might have purchase.

Explaining panels’ decisions not to import law, though, has a shortcoming: virtually all of the fair use cases (96%) say *nothing* about the choice of law provision. And, we wouldn’t expect them to if most panels view the UDRP as self-referential. We would expect, as is the case, most panels to apply WIPO Rules or precedents from other cases. Put simply, panels do not think about this issue; they just use WIPO decisions as de facto precedents. To them, the choice of law provision gives license to select among WIPO Rules or precedents, not national laws.

Additionally, in many cases the parties are from different countries than the panel. In cases involving Australian panels, for example, the panel and at least one party shared the same nationality only 20% of the time. Low numbers also exist for other panels deciding large numbers of cases, including the United Kingdom (50%), Canada (22%), and New Zealand (14%). In the cases where the panel and none of the parties share the same nationality, the panel likely does not know the law of the parties’ countries. Lacking knowledge of the law, the panel cannot apply it. This could explain why other panels do not apply foreign law as much as U.S. panels.

Still, there is another, related explanation for panels’ reluctance to import foreign law: most countries simply do not legislate cybersquat-

¹⁷⁹ *Id.* (footnote omitted) (citation omitted). This statement is questionable, at least as to existing cybersquatting laws. The U.S. cybersquatting law, for example, is nearly identical to the UDRP. Compare 15 U.S.C. § 1125(d) (2006) (promoting cyberprivacy prevention by creating civil liability for a bad faith intent to profit from the use of domain names that are “identical or confusingly similar” to a distinctive or famous mark or is a protected trademark), with UDRP, *supra* note 5, § 4(a) (defining an applicable dispute as one in which the domain name is “identical or confusingly similar” to a trademark or service mark and it has been registered in “bad faith”). They are designed to do very similar, if not the exact same, things. The question is *how* each achieves the same goal.

¹⁸⁰ *1066 Housing Ass’n*, No. D2007-1461.

¹⁸¹ *Id.*

ting. If no law exists to import, this would explain why non-U.S. panels have not applied it. In the sample of 148 cases, arbitrators, complainants, and respondents represented thirty-four different countries.¹⁸² Of these thirty-four countries, only seven (20%)¹⁸³ had legislation relating to domain names:¹⁸⁴ the United States,¹⁸⁵ Belgium,¹⁸⁶ Finland,¹⁸⁷ Japan,¹⁸⁸ Russia,¹⁸⁹ Spain,¹⁹⁰ and Italy.¹⁹¹ Only some of these countries'

¹⁸² In alphabetical order, those countries were Australia, Bahamas, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Luxemburg, Mexico, Netherlands, New Zealand, Nigeria, North Korea, Norway, Panama, Poland, Russia, Slovenia, Spain, Switzerland, Turkey, United Kingdom, United States, and West Indies (Saint Kitts & Nevis).

¹⁸³ To find whether a country had national law relating to domain names, I used WIPO's searchable database of national laws and treaties on intellectual property. *WIPO Lex*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/wipolex/en/> (last visited Dec. 20, 2011). I searched each country individually, specifying that the "subject matter" field should contain only "domain names." I also consulted a text on Internet law. See generally SMITH, *supra* note 53. Finally, I attempted to locate any online resource that indicated whether a country had legislation addressing domain names specifically. Sometimes this meant consulting the websites of various countries (that list the country's laws). For every country, I attempted to locate the official government website containing the text of all laws. When successful, I cited the source in the footnotes to this Article.

¹⁸⁴ "Relating to" does not mean that the country had specific cybersquatting laws akin to the Anticybersquatting Consumer Protection Act. 15 U.S.C. § 1125(d) (2006).

¹⁸⁵ *Id.*

¹⁸⁶ Loi relative à l'enregistrement abusif des noms de domaine [Act on the Abusive Registration of Domain Names] of June 26, 2003, *Moniteur Belge* [M.B.] [Official Gazette of Belgium], Sept. 9, 2003, 45225, available at http://www.wipo.int/wipolex/en/text.jsp?file_id=187949; see SMITH, *supra* note 53, at 206–09 (stating that the Act on the Abusive Registration of Domain Names created a cause of action for cybersquatting that applies only to "abusive registration of domain names by third parties who have no rights in the distinctive signs specified in the act," but not to "freedom of speech disputes").

¹⁸⁷ Finnish law includes the Domain Name Act, which applies only to the Finnish country-code top-level domain (ccTLD), ".fi." Verkkotunnuslaki [Domain Name Act], translation available at <http://www.finlex.fi/en/laki/kaannokset/2003/en20030228.pdf>; see also SMITH, *supra* note 54, at 229–31 (describing the act).

¹⁸⁸ Fusei kyousou boushhou [Unfair Competition Prevention Law], Law No. 47 of 1993, art 2(xii) (Japan), translation available at http://www.wipo.int/wipolex/en/text.jsp?file_id=128372 (defining unfair competition to include "acquiring or holding" domain names that are confusingly similar to a markholder or that otherwise cause injury to the markholder); *id.* art. 5(3)(iv) (providing a damages remedy for trademark holders whose rights have been infringed by a domain name); see also Brent T. Yonehara, *landoftherising-sun.co.jp: A Review of Japan's Protection of Domain Names Against Cybersquatting*, 43 IDEA 207, 221–24 (2003) (describing Japan's cybersquatting law).

¹⁸⁹ In 2002, Russia amended its trademark law to include protection for trademarks used in domain names. Mariyetta Meyers, *Russia and the Internet: Russia's Need to Confront and Conquer Trademark Infringement in Domain Names and Elsewhere on the Web*, 9 GONZAGA J. INT'L L. 200, 213–16 (2006).

¹⁹⁰ Law 17/2001 of December 7, 2001, on Trademarks arts. 34(2), (3)(e) (B.O.E. 2001, 23093) (Spain), translation available at http://www.wipo.int/wipolex/en/text.jsp?file_id=126736 (providing a registered trademark owner with the right to prohibit use of its mark

legislation was directed at only cybersquatting. Two other countries—France and Norway—have laws addressing domain names. Both laws, however, became effective on a date outside that covered by my sampled data.¹⁹²

At first glance, that fact aligns with this explanation. With the U.S. being one of only four countries with cybersquatting laws, there just are not many laws to import.¹⁹³

in a domain name in instances that meet Spanish infringement standards under art. 34(2) (a)–(c)).

¹⁹¹ See Decreto Legislativo 10 febbraio 2005, n. 273, in G.U. 4 marzo 2005, n. 52, art. 22 (It.); see also SMITH, *supra* note 54, at 257 (explaining that Article 22 of Italy’s Industrial Property Code “establishes that it is forbidden for an undertaking to use the sign or domain name of the trademark of another if the activities of the parties are either similar or dissimilar . . . so as to lead consumers to believe that there is a possible link between the two undertaking[s]”).

¹⁹² France’s law, which applies only to “.fr,” “.re,” “.mq.,” “.yt,” and a few other top-level domain name (TLDs) (but not gTLDs) went into effect on August 4, 2011. Loi 2011-302 du 22 mars 2011 [Law 2011-302 of March 22, 2011], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], Mar. 23, 2011, p. 5186, art. 19(v), *available at* http://www.legifrance.gouv.fr/affichTexteArticle.do?sessionId=5008CEF4C7F4EF1FC34ADA73470C14BB.tpjjo04v_1?idArticle=LEGIARTI000023752116&cidTexte=LEGI TEXT000023752099&dateTexte=20111116; Décret 2011-926 du 1 août 2011 relatif à la gestion des domaines de premier niveau de l’internet correspondant aux codes pays du territoire national [Decree 2011-926 of August 1, 2011 on the Management of Top-level Domains of the Internet Country Code Corresponding to the National Territory], JOURNAL OFFICIEL DE LA RÉPUBLIQUE FRANÇAISE [J.O.] [OFFICIAL GAZETTE OF FRANCE], Aug. 3, 2011, p. 13294, arts. R. 20-44-31 to R. 20-44-44, *available at* <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000024425287&dateTexte=&categorieLien=id>. The legislative part of the Code was adopted as part of a March 22, 2011 law; government norms were adopted on August 4, 2011. Thus, the operative date of all provisions is August 4, 2011. (Thanks to Cedric Manara for this information.) Specifically, these laws provide that a domain name can be withheld or deleted when it is “[l]ikely to infringe intellectual property rights or personality, unless the applicant provides proof of a legitimate interest and is acting in good faith.” L. 45-2-2. A legitimate interest can include “a non-commercial use of the domain name or a name related with no intention of misleading the consumers or harming the reputation of a name which is recognized or established a right.” R. 20-44-43.

Norway’s law became effective on July 1, 2010. Lov om varemerker [The Trademarks Act], *translation available at* [http://www.patentstyret.no/Global/Filarkiv/regelverk/Trade marks_Act_valid_01072010.pdf](http://www.patentstyret.no/Global/Filarkiv/regelverk/Trade%20marks_Act_valid_01072010.pdf). The relevant language states: “The court may also decide on other action to prevent new trademark infringements, including that the infringing party shall take steps to delete or assign to the injured party any domain names used in contravention of the trademark right.” *Id.* § 59. Norway’s previous trademark law went into effect on March 3, 1961. *Id.* § 83. I could not determine whether and when the 1961 law was amended. Because my study included WIPO decisions through September 2010, the French and Norwegian laws are not relevant.

¹⁹³ See also PRZEMYSŁAW PAUL POLANSKI, CUSTOMARY LAW OF THE INTERNET: IN THE SEARCH FOR A SUPRANATIONAL CYBERSPACE LAW 322 (2007) (“With the exception of few countries such as the United States, no [specific, statutory] rights have been created for defending interests in a domain name.”).

That explanation, however, is not totally convincing. Recall that the most frequently cited foreign law was Spain's (cited three times). In the three other cases citing foreign law, the panel cited a European treaty,¹⁹⁴ EU law,¹⁹⁵ and United Kingdom trademark law.¹⁹⁶ None of the laws cited came from countries with cybersquatting statutes. In those cases, the panels cited trademark or unfair competition law, which tends to be—or at least is perceived as—less friendly to speech than U.S. trademark law. That is not surprising considering that, even in countries that do not have specific cybersquatting statutes, courts have applied traditional trademark and unfair competition laws to resolve domain-name disputes.¹⁹⁷ Thus, although most countries have law that could be applied to domain-name disputes, not many arbitrators apply it.

In light of this fact, panel nationality seems to best explain the lack of foreign law in the UDRP. Many foreign panels do not decide disputes with any parties from their home country. For this reason, they likely do not know the law of either party's home country.¹⁹⁸ Without such knowledge, they can apply either their home country's law or the UDRP. Nearly all elect the latter course and apply only what they know, or what they can make up as needed.

¹⁹⁴ Moss & Coleman Solicitors v. Kordowski, No. D2006-1066 (WIPO Oct. 23, 2006), <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-1066.html> (citing Article 10 of the European Convention on Human Rights in the context of free speech).

¹⁹⁵ Espirito Santo Fin. Grp. S.A. v. Colman, No. D2001-1214 (WIPO Jan. 22, 2002), <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-1214.html> (citing European Court of Justice case C-63/97, BMW v. Deenik, 1999 E.C.R. I-905, 1 C.M.L.R. 1099 (1999)).

¹⁹⁶ Lanware Ltd. v. Iveson, No. D2004-1061 (WIPO Feb. 9, 2005), <http://www.wipo.int/amc/en/domains/decisions/html/2004/d2004-1061.html> (citing U.K. law on passing-off).

¹⁹⁷ SMITH, *supra* note 53, at 200–04, 210–54, 258–97 (explaining how traditional trademark and unfair competition law have been applied in Australia, Canada, China, France, Germany, Hong Kong, Israel, Japan, the Netherlands, New Zealand, Singapore, Spain, Sweden, and Switzerland); Antonella Carminaati & Alexandre da Cunha Lyrio, *Trademarks v. Domain Names—The Brazilian Experience*, CBSG.COM.BR, http://www.cbsg.com.br/pdf_publicacoes/trademarksxdomain_names.pdf (last visited Dec. 20, 2011) (describing various cases applying traditional legal principles, including trademarks and domain-name disputes); *Swiss Legal Practice (1999–2005)*, TRADEMARK.CH, http://www.trademark.ch/?sub_id=136&leng=1 (click the hyperlinked word “link” to obtain the abstracts of these decisions in German) (last updated Oct. 16, 2007) (listing cases involving domain names decided by Swiss courts).

Additionally, many of these countries have UDRP-like procedures to settle cybersquatting disputes involving domain names using their respective country's ccTLD. In Australia, for example, the .au Dispute Resolution Policy (auDRP) provides more protection for trademark holders. Complaints can be brought for “business names or other names, not just trade marks and service marks.” SMITH, *supra* note 53, at 202.

¹⁹⁸ Also, the complaints filed generally do not rely on local law. Therefore, the arbitrators are not provided with the relevant provisions to interpret.

B. *Reforming the UDRP*

Some scholars state that “the most basic question about the bordered Internet . . . is whether speech should be regulated globally or locally.”¹⁹⁹ My study has shown that, in fair use UDRP cases, WIPO panels have answered this “basic question” without addressing its normative component: in cases where the respondent is from the United States, panelists are more likely to apply U.S. law, or what they perceive to be U.S. law. In other words, U.S. panelists are more likely to apply local law when the dispute involves U.S. respondents. Yet, in cases where the respondent is from any other country, the odds of a panel applying that country’s law are low.

Despite having inadvertently answered this question, U.S. Favoritism does not provide a structured way of thinking about which laws to apply—local, U.S., or international—in UDRP fair use disputes.

1. Problems with the U.S. Law/UDRP Division

This U.S. law/UDRP division in fair use cases is problematic for several reasons. First, it privileges U.S. law without justification.²⁰⁰ Why, for example, should panels import U.S. law but not French law into the UDRP? One arbitrator has remarked:

There is something rather curious . . . [about the existence of a] US approach and a non-US approach . . . [to criticism web-sites]. Laws protecting . . . freedom of speech are not unique

¹⁹⁹ GOLDSMITH & WU, *supra* note 44, at 150. In addition, countless others have devoted their scholarship to this question. *E.g.*, Matthew Burnstein, *A Global Network in a Computerized Legal Environment*, in INTERNET: WHICH COURT DECIDES? WHICH LAW APPLIES? 23, 24 (Boele-Woelki & Kessedjian eds., 1999); David R. Johnson & David Post, *Law and Borders—The Rise of Law in Cyberspace*, 48 STAN. L. REV. 1367, 1370–76 (1996); Jonathan Zittrain, *Be Careful What You Ask For: Reconciling a Global Internet and Local Law*, in WHO RULES THE NET?: INTERNET GOVERNANCE AND JURISDICTION 13, 14 (Thierer & Crews eds., 2003).

²⁰⁰ One professor wonders whether we might justify this rule on the expectations of the parties: “If U.S. law is mainly privileged in disputes involving U.S. participants then, isn’t the justification arguably that the imposition of U.S. legal principles best meets the expectations of the parties? Is there anything wrong with this result in practice?” E-mail from Jacqueline D. Lipton, Professor of Law, Case Western Reserve Univ. Sch. of Law, to David A. Simon, Summer Academic Fellow, Harvard Law Sch. (Apr. 11, 2011, 12:31 GMT) (on file with author). This explanation is problematic for two reasons. First, it is circular. It assumes the validity of an expectation that is based on a practice of privileging U.S. law. But that says nothing about whether a privilege is warranted in the first instance. Second, and relatedly, the expectation that U.S. law governs when U.S. parties resolve UDRP disputes suggests that the opposite should hold true: that non-U.S. law would govern when other parties resolved UDRP disputes. But that simply has not happened.

to the United States. They exist in many countries and frequently form part of those countries basic constitutional rules If local US law is to influence the issue in the United States, then logically, local laws not only can, but should, do so elsewhere in the world. And yet for the most part, panels in other jurisdictions have not considered it necessary to take into account their local laws in coming to their views on this particular issue.²⁰¹

This arbitrator questions whether there is a reason for importing only U.S. law.²⁰² But even if panels had developed a rule or reason justifying this practice, the UDRP would not help us resolve whether we *should* accept the rule. This is because neither the UDRP nor WIPO take a stance on applicable law. The UDRP is completely silent on the subject. WIPO Rules, on the other hand, equivocate even on when the U.S.-based rule should apply.²⁰³

This lack of clarity illustrates another reason why the U.S. law/UDRP division is problematic: arbitrators lack a principled way of deciding when, if ever, to apply law, WIPO rules, or simply use their own judgment. The data bear this out. Panels in fair use cases apply U.S. law 30% of the time, foreign law 6% of the time, and no law (or *sui generis* rules) 64% of the time. Additionally, since WIPO published its Rules in 2005, panels have cited them in 32% of fair use cases.

This decisional freedom produces biased or inconsistent decisions. Inconsistent decisions threaten individuals' and business' ability to rely on the UDRP as a predictable form of dispute resolution. Such uncertainty can have beneficial or deleterious consequences. On the one hand, applying narrow speech protections to domain names critical of a trademark holder can chill or skew speech. That result is orthogonal

²⁰¹ *1066 Housing Ass'n*, No. D2007-1461. Matthew Harris from the United Kingdom decided this case as the sole panelist. *Id.* He also said:

In short, the act of bringing local law into the assessment of the Policy when taken to its logical conclusion as a matter of practice undermines the very goal of commercial certainty identified in the *Howard Jarvis* case and with which this Panel whole heartedly agrees. There may be cases where it is inevitable, but in general it should be resisted. . . . [S]o far as the specific issue of rights and legitimate interest are concerned[,] the Panel sees no reason to import national rules and good reason not to do so.

Id.

²⁰² *Id.*

²⁰³ *WIPO Rules*, *supra* note 67, § 2.4 (stating that “[i]n cases involving only U.S. parties or the selection of a U.S. mutual jurisdiction, panelists tend to adopt the reasoning in [the U.S.-based rule] (though not universally)”).

to the purpose of the fair use provision: to provide a safety valve for speech. On the other hand, applying U.S. law to UDRP disputes involving parties from speech-restrictive countries can *increase* the amount of speech online. The result, the data show, typically is related to respondent and arbitrator nationality.

Finally, this U.S. law/UDRP division threatens to undermine the UDRP's legitimacy—if not in the eyes of certain trademark holders, then at least in the eyes of non-trademark holders (i.e., Internet users).²⁰⁴ If the UDRP prides itself as representing international standards, it fails to do so by creating distinct rights for U.S. respondents and everyone else. On the one hand, this approach may benefit more speakers online, but only if they are from the United States. Other speech, regardless of what each country's law has to say, will be provided less protection. On the other hand, this approach may encourage corporations and other large trademark holders to bring more UDRP actions when someone criticizes them online and is not from the United States. So, in the end, the UDRP would promote two contradictory positions based on a rather simplistic conception of both U.S. and non-U.S. law: provide breathing space for speech originating in the United States while simultaneously encouraging its suppression when it originates elsewhere. All this happens simply because of an oversimplified view of speech protections for trademark users in various countries around the world.

What exactly this will mean for the future of the UDRP is unclear. If UDRP decisions privilege United States law, other entities (e.g., governments and corporations) may become disillusioned with its perceived unfairness or applicability to disputes involving parties from their countries. If the entities that depend on the UDRP view it as unfair or inapt, they may opt out²⁰⁵ of the system or seek to change it. This policy may also alienate Internet users who expect certain speech protections, but do not receive them because of the U.S./non-U.S. dichot-

²⁰⁴ Helfer & Dinwoodie, *supra* note 72, at 230 (“Panel decisions that diverge widely from the text of the UDRP, from each other, or from national laws, risk undermining the UDRP's legitimacy.”).

²⁰⁵ The UDRP, unlike other entrenched legal institutions, is optional in two basic senses. First, any party wishing to cancel or transfer domain names can do so in a court of law; using the UDRP is optional. Second, the UDRP provides a contract-based remedy. As such, it depends on the continued existence of the contract between ICANN and various registrars. ICANN—although heavily influenced by the United States—is responsive to concerns of various parties, particularly national governments. As countries become dissatisfied with the UDRP, they will opt-out of its procedures. Either they will sue in court, or, if court-based options become too expensive, they will work to change the UDRP.

omy. Perhaps none of this will happen immediately; but as disparities in treatment between parties grow, and as more countries and users hop online, the chances only increase.

2. Four Potential Reforms to the UDRP

Although the UDRP is not operating perfectly, we could leave it alone—which is what it appears ICANN will do. In this scenario, we would expect U.S. law to continue to dominate UDRP fair use cases, foreign law to be a nonfactor, and WIPO Rules to solidify the distinction between these Rules and U.S. law. That is one possible path, but, as noted above, there are costs for following it. For one, the current application of the UDRP seems to undercut the policy's international purpose. After all, there is no principled reason to privilege U.S. law over other countries' laws. That is, if U.S. law is privileged in cases where the parties are from the United States, other countries' laws should be given similar deference when deciding disputes involving non-U.S. respondents.

If we want a principled solution, four options exist. The first three options involve choice of law—they address U.S. Favoritism by altering what law applies under UDRP. The last option is substantive; it suggests one methodological approach panels could use to resolve certain kinds of domain-name disputes that involve free speech. This last substantive option could be used in conjunction with any of the three choice of law options.

First, ICANN could prohibit panels from referencing or applying *any* law. There are two problems with this approach. First, without reference to any law, the UDRP may become increasingly unpredictable. If panels simply apply ad hoc interpretations of UDRP provisions, prospective domain-name holders cannot determine their ability to use a domain name *ex ante*. Second, divorcing the UDRP from national law would be impracticable. The UDRP depends upon a protectable trademark interest, which is a legal right created by national law.²⁰⁶

Despite this risk of *ex ante* uncertainty, several facts ameliorate this concern. The UDRP already operates on a *de facto* precedent system. Most panels apply past decisions, not law. Moreover, at least in UDRP disputes before WIPO, the provider has recognized informal rules—such as the Criticism Rule—that both respondents and complainants might rely on. There is no reason to suspect these practices would dis-

²⁰⁶ Thanks to Jacqueline Lipton for this point.

appear if we eliminated references to law. Indeed, it might actually encourage their use.

Even so, the mere fact that panels cite other decisions does not ensure that a desirable pattern will emerge—or, even if it does, that it will prevent panels from “changing” precedents for the worse. Indeed, although the UDRP may be de facto precedential, panels cite applicable WIPO Rules in only 32% of all fair use cases. Additionally, a no-law system assumes that prohibiting the use of national law will successfully eliminate it from the UDRP. Disgorging law from the UDRP entirely, however, is impracticable. Arbitrators’ worldviews—their conceptions of fairness and justice—drive their conclusions. Shaping these worldviews are the culture and laws of the countries in which they reside. Thus, we cannot totally separate particular countries’ legal norms from entering UDRP decisions. We should expect “uniform” UDRP to reflect arbitrators’ different worldviews and, therefore, the law of their home countries. Minimizing this effect would require a more substantive revision of UDRP provisions.

A no-law provision is not the only solution. ICANN also could take the opposite approach and implement a formal choice of law provision. ICANN would have to articulate a procedure for selecting a particular country’s law. Requiring panels to import their countries’ laws would balance the interests of all participating countries. Countries have different conceptions of free speech and different trademark laws.²⁰⁷ A provision that accounts for these differences treats each country’s law equally. Additionally, it provides some measure of predictability and legitimacy to the UDRP.

Like other approaches, this one is not impermeable to criticism. One problem relates to *whose* law applies. The law of the panel’s home country? The respondent’s? The complainant’s? Some combination? Picking one of these options just raises more questions. Why should the law of the respondent’s home country apply, for example, when a domain name can cause “harm” to the trademark owner anywhere in the world? The other problem relates to how panels are selected. Should

²⁰⁷ Graeme B. Dinwoodie, *(National) Trademark Laws and the (Non-National) Domain Name System*, 21 U. PA. J. INT’L ECON. L. 495, 511 (2000).

[There are a] wide range of free speech notions that exist around the world once we move beyond [certain] core principles. And the UDRP system does not presently require us to venture into the murky waters of enforcement because the remedies (transfer of domain name) are limited to those that can be effectuated by the registrars without the aid of national courts.

panels of particular nationality hear certain disputes? The answer to this question likely will depend on whose law governs. In cases where a panel must apply Finnish law, for example, it would make sense for a Finnish arbitrator to hear the dispute.

Third, ICANN could require all panels to apply only U.S. law to all UDRP disputes. The advantages and drawbacks of this approach are straightforward. For respondents, this approach would increase their ability to use trademarks in their domain names. It also would increase clarity in UDRP fair use cases and, because the U.S. has a cybersquatting law (the Anticybersquatting Consumer Protection Act, or the “AC-PA”),²⁰⁸ presumably in other types of cases as well.

But the drawbacks are substantial. Complainants would oppose the change because it produces less favorable outcomes for them. Currently, complainants enjoy an 83% win rate in fair use cases in which the respondent is not from the United States.²⁰⁹ When the respondent is from the United States, however, the complainant’s win rate drops 18%, to 65%.²¹⁰ We see the same trend when we examine arbitrator—as opposed to respondent—nationality. Complainants win 80% of the time when a non-U.S. panel resolves the dispute.²¹¹ But that percentage falls by 15%, to 65%, when a U.S. panel resolves the dispute.²¹² Because it seems that U.S. law partially explains this phenomenon, using only U.S. law would likely favor respondents.

Furthermore, the proposal would alienate other countries. If only U.S. law applied, the UDRP would become a “mini” U.S. tribunal. But ICANN did not adopt the UDRP so panels could apply U.S. law to *all* domain-name disputes. The purpose of the UDRP is to provide an *international* dispute-resolution process. Using only U.S. law—or worse, perceptions of U.S. law—to decide disputes undermines the international application of the UDRP. Indeed, arbitrators from other countries would be unnecessary; only U.S. panels would be required to apply U.S. law. For these reasons, the U.S. law approach would likely meet strong resistance.

The last reform is one that focuses on *remedies*, rather than choice of law. Currently the UDRP gives panels who find for the complainant

²⁰⁸ 15 U.S.C. § 1125(d) (2006).

²⁰⁹ See *supra* Figure 2.

²¹⁰ See *supra* Figure 2.

²¹¹ See *supra* Figure 3.

²¹² See *supra* Figures 2, 3.

the power to cancel or transfer the respondent's domain name.²¹³ Under this proposal, however, the UDRP would limit the complainant's remedy to only cancellation when the website implicates free speech interests."

This new proposal has two benefits. First, it is flexible. We can integrate this approach with any of the aforementioned approaches. Second, it protects *speech space* rather than individual defendants *per se*. By preventing complainants from controlling unused "free speech domains," this option preserves that space *for people* to express themselves. Take, for example, the domain name <<http://livingspacesucks.com>>²¹⁴ that resolves to a website that states in large print, "This website is for sale!" Underneath this, further text reads, "The future blog for consumers to voice their frustrations with Living Spaces!" The website seems to be designed solely for resale, albeit to griper. The noncommercial fair use defense does not seem to apply to *this respondent*. It could, however, apply to a subsequent griper. Yet, the complainant who succeeds in a cybersquatting claim under the UDRP can request that the panel *transfer* the domain name to it. That transfer, however, essentially closes off *space* for free speech: the opportunity to use the domain name for a critical, creative, or informational message is no longer available. A remedy that allows for cancellation but not transfer preserves the space in which free speech can be made. Thus, the cancellation-only policy would operate much like the current domain-name system—the principal difference would be that sites invoking speech interests would not automatically be transferred to successful complainants.

Because the current UDRP is designed for a first-come, first-served domain-name registration system, this proposal seems to face difficulties.²¹⁵ In particular, a cancellation-only remedy leaves the domain name open to further abusive registrations. We have, in other words, the "whack-a-mole" problem: shut down one cybersquatter and another

²¹³ UDRP, *supra* note 5, § 4(i) ("The remedies available to a complainant pursuant to any proceeding before an Administrative Panel shall be limited to requiring the cancellation of your domain name or the transfer of your domain name registration to the complainant.")

²¹⁴ The website "www.livingspacesucks.com" was taken down after a UDRP complaint was filed. *Easy Win for Living Spaces UDRP?*, DOMAINMONSTER.COM (July 27, 2011), <http://www.domainmonster.com/editorials/easy-udrp-win/>; see also *Case Details for WIPO Case D2011-1262*, WORLD INTELLECTUAL PROP. ORG., http://www.oapi.wipo.net/amc/en/domains/search/case.jsp?case_id=21376 (last visited Dec. 20, 2011).

²¹⁵ Repeat cybersquatters will be less of a problem under the new gTLD registration system, which allows registration of gTLDs by only "[e]stablished corporations, organizations, or institutions" and requires a review and objection process. See gTLD APPLICANT GUIDEBOOK, *supra* note 87, § 1.2.1.

one registers the identical domain again. But characteristics of potential cybersquatters may actually mitigate, rather than increase, this risk. We might, for example, expect prospective cybersquatters to know something about domain names, domain-name registration, and domain-name cancellation or transfer under the UDRP.²¹⁶ Thus, cancellations of domain names like <[trademark]sucks.com> should deter future abusive registrations, not encourage them.

How much a cancellation-only remedy deters potential cybersquatters depends on the aggressiveness and reputation of the trademark owner. The more valuable the mark's reputation, the more likely the mark owner will pursue a UDRP action. Likewise, wealthy trademark owners are more likely to pursue UDRP action than moderately-endowed ones. Thus, a cancellation-only remedy may increase trademark owners' need to police their marks. Nevertheless, they likely will continue to do so for the same reasons they have in the past.²¹⁷

That is not to say the costs to mark owners will be insignificant in all cases. The whack-a-mole problem, however, may be a cost public policy demands the trademark holder to bear. Trademark owners, after all, are filing UDRP complaints in any case—and they seem to be in a better position than the registrar to monitor the use of their marks. If the costs to trademark owners are too high, there are other available options. Some kind of burden-shifting approach, for example, might be workable in cases of repeat, abusive registrants.

Whatever the precise solution, the purpose of this Article is not to propose it; it is to point out two facts. First, a cancellation-only remedy for certain cases better protects speech-interests than a transfer. Second, while this approach faces difficulties, solutions exist to deal with them.

All of the aforementioned approaches have benefits and shortcomings.²¹⁸ Doing nothing is easy, but it risks delegitimizing the UDRP

²¹⁶ It is not unreasonable to assume that potential cybersquatters have been subject to UDRP action in the past—or, if not, that they at least know something about their potential liability under the policy.

²¹⁷ It may turn out, though, that trademark owners decide that policing these speech spaces under a cancel-only policy is too costly. If that happens, we might worry about speech space being clogged by cybersquatters. Assuaging that fear, however, should be the fact that most individuals who use domain names incorporating trademarks in a noncommercial, fair way are not able to purchase the domain names for a large sum. Thus, the market price for these domain names should be only marginally higher than the cost of registration.

²¹⁸ One might wonder why parties worried about U.S. Favoritism simply do not select non-U.S. arbitrators. One reason is that most fair use cases are decided by only one arbitra-

and creating a further divide between U.S. and other countries. Applying U.S. law has the same—but probably stronger—effects. Excluding law from UDRP decisions altogether may engender new rules, but these rules are likely to reflect the law and customs of the panel’s home country. A meaningful choice of law provision would balance nations’ interests, but doing so simply and effectively seems difficult. Given these problems, which approach is best in fair use cases?

3. ICANN Should Revise the UDRP to Apply Local Law to UDRP Cases

At least in fair use cases, ICANN should revise and clarify both the panel assignment process and the UDRP’s choice of law provision. The new choice of law provision should specify that a panel apply the law of the respondent’s home country. The new panel assignment procedure should require that arbitrators share the same nationality as the respondent. In practice, this would not greatly affect U.S. respondents. WIPO’s de facto policy assigns U.S. panels to U.S. respondents. But for other respondents, WIPO’s assignment pattern is not clear. It is in this realm that the policy would have the greatest effect.

Although this proposal requires adopting two separate provisions, the proposed choice of law rule and panel assignment procedure are tied together. Indeed, to understand the proposal, one must understand the relationship between these two mechanisms. This Section starts by discussing panel selection and then discusses applicable law. Before entering this discussion, it must be made clear that this Article is *not* arguing about how to govern *the Internet* with law or some other mechanism. That topic has been debated feverishly.²¹⁹ It is, however, argu-

tor. In any case, that does not solve the problem of the U.S./non-U.S. dichotomy. It merely allows parties to choose between two existing options.

²¹⁹ See generally James Boyle, *Foucault in Cyberspace: Surveillance, Sovereignty, and Hard-wired Censors*, 66 U. CIN. L. REV. 177 (1997) (arguing that technological solutions offer a way for the state to exert legal power over the internet); Dan L. Burk, *Federalism in Cyberspace*, 28 CONN. L. REV. 1095 (1996) (arguing that the due process clause of the Fourteenth Amendment and the Dormant Commerce Clause are constitutional limitations on individual states’ ability to regulate internet activity); Jack L. Goldsmith, *Against Cyberanarchy*, 65 U. CHI. L. REV. 1199 (1998) (arguing that internet regulation is at least “feasible and legitimate from the perspective of jurisdiction and choice of law”); Johnson & Post, *supra* note 199 (suggesting that regulating cyberspace will require modifying our understanding of law and its connection to physical boundaries); Joel R. Reidenberg, *Governing Networks and Rule-Making in Cyberspace*, 45 EMORY L.J. 911 (1996) (suggesting that, in the context of the global information infrastructure, “a new ‘network governance paradigm’ must emerge to recognize the complexity of regulatory power centers . . . and shift the role of the state toward the creation of an incentive structure for network self-regulation”).

ing that the *UDRP* should incorporate local law in fair use disputes.²²⁰ More specifically, this Article proposes a regime that is appropriate given my study of fair use cases at WIPO. Therefore, the proposal applies only to fair use cases. Although this proposal could apply to the *UDRP* generally, scholars should study the other provisions more broadly before making changes wholesale.²²¹

Panel selection and assignment under the *UDRP* has only a few rules. As noted previously,²²² the complainant and respondent can offer lists of arbitrators in cases where a three-member panel decides the dispute. The provider assigns two arbitrators from the lists submitted by the parties—one from each party. It then assigns one arbitrator on its own. In a one-member panel, the provider assigns the arbitrator. *How* providers assign specific arbitrators is unknown. The *UDRP* does not state how this does or should occur, and providers have not been forthcoming with information.

The data, however, show two patterns of assignment in fair use disputes: one for U.S. panels and one for other panels. U.S. panels almost always decide cases with at least one U.S. party. Indeed, in 88% of all fair use disputes decided by U.S. panels, at least one party was from the United States.²²³ That means that in 12% of all fair use disputes decided by U.S. panels, the panel had absolutely no connection to the jurisdiction of either party.²²⁴

For fair use cases decided by other panels, this problem is particularly acute.²²⁵ Of all the cases decided by Australian panels, for exam-

²²⁰ Other scholars have suggested different reforms to the *UDRP*. One scholar, for example, has suggested that the *UDRP* can take one of three approaches: apply U.S. legal principles, apply the laws of all countries, or apply *UDRP sui generis* law. See generally Laurence R. Helfer, *Whither the UDRP: Autonomous, Americanized, or Cosmopolitan?*, 12 *CARDOZO J. INT'L & COMP. L.* 493, 494 (2004). Others have argued for a wholesale reworking of the *UDRP* to be more speech protective. E.g., Dawn C. Nunziato, *Freedom of Expression, Democratic Norms, and Internet Governance*, 52 *EMORY L.J.* 187, 190–91 (2003).

²²¹ Because this proposal applies only to fair use cases, it faces one major, but not insurmountable, difficulty. Namely, it requires changing the panel assignment provision for all disputes, even though the findings—and subsequent choice of law recommendation—apply only to fair use disputes. As I argue below, changing the panel assignment policy need not be viewed negatively. But, even if it is, there may be other ways around making the wholesale change. Some screening mechanism prior to panel assignment, for example, could be used to determine whether the dispute substantively involved fair use.

²²² See *supra* notes 25–31 and accompanying text.

²²³ See *supra* Figure 12.

²²⁴ See *supra* Figure 12.

²²⁵ E.g., *Native Instruments GmbH v. Williams*, No. D2007-0973 (WIPO Aug. 21, 2007), <http://www.udrpsearch.com/wipo/d2007-0973> (complainant was from Germany, respondent was from the United States, and the sole panelist was from the United Kingdom);

ple, 80% did *not* involve any party from Australia.²²⁶ The numbers are similar for other countries. For all fair use cases involving panels from the United Kingdom, Canada, and New Zealand, the percent of cases in which neither party was from those countries was 50%, 78%, and 86%, respectively.²²⁷ Thus, many non-U.S. panels decide cases involving parties from countries other than their own. Unlike the assignment pattern for U.S. arbitrators, no clear assignment pattern exists for non-U.S. arbitrators.²²⁸

Normally, random assignment of arbitrators is a virtue. Not here. The reason is because panel assignment and choice of law are closely connected. What law panels apply depends on who comprises those panels. Recall that without a principled basis for applying laws, UDRP panels will continue to apply national laws or WIPO Rules—or make ad hoc decisions—at varying rates. Given the data, we would expect that, in fair use cases, U.S. panels would continue to apply U.S. law more than other panels apply foreign law. But, for other panels, what principles or law they will apply is uncertain. Part of this uncertainty is tied to panel assignment. If a panel has no national connection to either party, its decision is more likely to be ad hoc, unprincipled, and unpredictable.

To eliminate this risk, ICANN should clarify and explain how providers should assign panels. Specifically, panel assignment should be tied to what law applies in fair use cases. As I stated at the beginning of this Section, panels should apply the law of a respondent's home country in fair use cases.

To facilitate these choice of law rules and procedures, panels must have some knowledge of the law they apply. Thus, I propose that the provider assign to cases arbitrators that share the same nationality as the respondent. In the case of three-member panels, this means two arbitrators should be from the same country as the respondent; the third should be from the complainant's country.²²⁹ Providing two pan-

Pfizer Inc. v. Zhan, No. D2006-1134 (WIPO Oct. 30, 2006), <http://www.wipo.int/amc/en/domains/decisions/html/2006/d2006-1134.html> (complainant was from the United States, respondent was from Canada, and the sole panelist was from China).

²²⁶ See *supra* Figure 12.

²²⁷ See *supra* Figure 12.

²²⁸ It may be that there just have not been enough cases for a pattern to develop. Although plausible, that explanation does not seem likely. The more likely explanation is that panel assignment does not matter much, at least as concerns fair use, in cases where neither party is from the United States.

²²⁹ There are different ways to implement this proposal. One method would allow each party to choose a home country panelist when either party elects a three-member panel. The provider would then choose the third panelist, who would hail from the respondent's home country. In cases where neither party elects to choose arbitrators, the provider could

elists from the respondent's country ensures that the law is applied accurately. Retaining at least one party from the complainant's country allows for a flexible system. Because the complainant's fair use law may govern in some cases, it is important for the panel to be knowledgeable of the complainant's home-country law.

What happens, though, when the complainant's law governs in a one-member panel? When the respondent defaults, there is no choice of law problem. Under the UDRP Rules, the provider appoints a one-member panel *after* it receives the respondent's response.²³⁰ Thus, if the respondent defaults, the provider can assign a panelist from the complainant's home country.

But a problem arises in cases where the respondent answers and the complainant contests the respondent's purported location. The arbitrator in such a case would hail from the respondent's home country. So that arbitrator likely would not have working knowledge of the complainant's home-country law. Under the proposed burden-shifting approach (discussed below), however, the complainant's law could govern. Thus, the panelist deciding the case could be ignorant of the complainant's law. Although this problem could be addressed in many different ways, one solution comes to mind: eliminate one-member panels altogether. In addition to facilitating the proposed choice of law rule, using only three-member panels probably would promote fairer resolutions all around.²³¹

Even if we accept these panel assignment rules, we would still need to know what constitutes "a respondent's home country." This term should mean "country listed as the registrant's in the WHOIS database." The WHOIS database is a publicly available, searchable database that contains the contact information of domain-name registrants.²³² When an individual or corporation registers a domain name, the information they provide automatically enters the WHOIS database.²³³ If

assign panelists—two from the respondent's home country and one from the complainant's home country.

²³⁰ *UDRP Rules*, *supra* note 5, § 6(b).

²³¹ *See Geist*, *supra* note 23, at 930–33.

²³² MUELLER, *supra* note 45, at 235 ("The WHOIS database allows one to type in a domain name and pull up the name and address of the individual or company that registered the domain."); *What Is WHOIS?*, NETWORK SOLUTIONS, <http://www.networksolutions.com/whois/index.jsp> (last visited Dec. 20, 2011) ("Once your listing appears in this online directory, it is publicly available to anyone who chooses to check domain names using the WHOIS search tool.")

²³³ *What Is WHOIS?*, *supra* note 232 ("When you register a domain name, the Internet Corporation for Assigned Names and Numbers (ICANN) requires your domain name registrar to submit your personal contact information to the WHOIS database.")

I registered <www.stevejobslikesapples.com>, for example, I would have to enter my name and contact information. Because I reside in the United States, I would enter that as my home country. If Apple filed a complaint with WIPO, a U.S. panel would hear the dispute. In making a decision, the panel would apply U.S. law to interpret or “fill the gaps” in the (fair use portion of the) UDRP.

Because a domain-name registrant enters information into the WHOIS database, one might question the reliability of the information. Hence, there is some risk that the registrant will provide incorrect, misleading, or false information. Although current ICANN agreements address this risk, their effectiveness is uncertain.²³⁴ The new choice of law provision should address this risk in two ways. First, it should require any complainant who asserts that the respondent does not reside

²³⁴ ICANN’s Accreditation Agreement requires registrars to obtain—and domain-name registrants to provide—accurate contact information. *Registrar Accreditation Agreement*, § 3.7.7.1, INTERNET CORP. FOR ASSIGNED NAMES & Nos. (May 21, 2009), www.icann.org/en/regis-trars/ra-agreement-21may09-en.htm.

The Registered Name Holder shall provide to Registrar accurate and reliable contact details and promptly correct and update them during the term of the Registered Name registration, including: the full name, postal address, e-mail address, voice telephone number, and fax number if available of the Registered Name Holder; name of authorized person for contact purposes in the case of an Registered Name Holder that is an organization, association, or corporation; and the data elements listed in Subsections 3.3.1.2, 3.3.1.7 and 3.3.1.8.

Id. It also requires registrars to verify, and re-verify, this information for accuracy. If anyone notifies the registrar of an inaccuracy, the registrar has a duty to investigate. *Id.* § 3.7.8.

Registrar shall, upon notification by any person of an inaccuracy in the contact information associated with a Registered Name sponsored by Registrar, take reasonable steps to investigate that claimed inaccuracy. In the event Registrar learns of inaccurate contact information associated with a Registered Name it sponsors, it shall take reasonable steps to correct that inaccuracy.

Id. The registrar may cancel the domain names of registrants who supply inaccurate contact information to the Registrar. *Id.* § 3.7.7.2.

A Registered Name Holder’s willful provision of inaccurate or unreliable information, its willful failure promptly to update information provided to Registrar, or its failure to respond for over fifteen calendar days to inquiries by Registrar concerning the accuracy of contact details associated with the Registered Name Holder’s registration shall constitute a material breach of the Registered Name Holder-registrar contract and be a basis for cancellation of the Registered Name registration.

Id. Domain-name registrants can be held liable for uses of their domain names by third parties, licensed or unlicensed. *Id.* § 3.7.7.3 (requiring a licensor of a domain name to keep current contact records and to accept liability for any use by the licensee).

in the home country to provide evidence of that fact. Evidence must consist of more than mere assertions. If the complainant can produce such evidence, the burden shifts to the respondent, who will have to provide evidence rebutting the presumption. If, on the other hand, the respondent cannot meet the burden, the complainant's law applies. Second, in the cases of respondent default, the panel will presume that the respondent does not reside in the country listed in the WHOIS database, and the complainant's law will govern. Using either the law of the complainant's or the respondent's home country allows providers to appoint panels with knowledge of any potentially applicable law.

Despite this burden-shifting approach, some may worry that corporate registrants may try to "game" the system by registering corporations in countries with speech-friendly domain-name laws. While this risk exists, at least three factors ameliorate it. First, the fair use defense covers noncommercial fair uses. This excludes uses designed merely to profit off the goodwill in a trademark. For these reasons, corporations are not likely to (successfully) game the choice of law provision. Second, companies seeking to protect their trademarks will be enforcing their marks; they will be the *complainants*. Because the law of the *respondent's* home governs, where the *complainant* resides is important only in cases of respondent default. Third, it costs time and money to set-up and *operate* a corporation in a country. Costs will diminish the risk that companies will try to register companies in domain-friendly countries merely to trade off the goodwill of others' trademarks. Under the new UDRP provision, a company will not be able to circumvent the residence requirement by merely registering a corporation; it must operate in that country as well.²³⁵

At this point, one might be concerned that the burden on the complainant is too high. That is, forcing the complainant to gather information about the respondent's whereabouts reduces the efficiency of the UDRP. But, that ignores the complainant's current duties under the UDRP. A complaint under the current UDRP must provide much of this information, including

the name of the Respondent (domain-name holder) and all information (including any postal and e-mail addresses and telephone and telefax numbers) known to Complainant regarding how to contact Respondent or any representative of Respondent, including contact information based on pre-

²³⁵ What constitutes "operating" could be defined either by local law or by the UDRP.

complaint dealings, in sufficient detail to allow the Provider to send the complaint²³⁶

One may read the language “known to Complainant” to absolve the complainant of any duty to investigate facts. But such a reading would not make sense. Most of the time, complainants will know little, if anything, about the domain-name owner. At the very least, the complainant must take reasonable steps to gain such information, such as by using the WHOIS database. Since the information in the WHOIS database would govern the choice of law issue, this new requirement would not be a burden.

4. Using Local Law Addresses Concerns of Speech, Uniformity, Cost, and Predictability

There are further concerns with this system. Four are particularly relevant: speech, uniformity, cost, and predictability. Although using local law is promising, it raises free speech concerns. Some countries’ trademark and cybersquatting laws are not speech-protective. Some commentators worry that oppressive regimes will use the trademark law—and thus the UDRP—as cover to censor unpopular viewpoints or speech. Although this risk exists, it is not as serious as it appears. Most oppressive governments wishing to suppress speech do so using direct government action, not trademark or cybersquatting laws. The Chinese government, for example, censors speech by blocking websites directly.²³⁷ Thus, UDRP disputes are not typically the subject of speech disputes in authoritarian countries about which we normally would be concerned.

Nevertheless, a risk of private censorship exists in countries with speech-restrictive laws. In these countries, trademark owners will be able to suppress speech that infringes their trademarks, even if another country would decide the dispute differently. This risk, though, is one that traditional trademark law readily accepts. Each country’s trademark laws generally do not apply outside its borders. It is reasonable to expect individuals of various countries to bear that same risk when using a trademark in a domain name. Thus, using the law of the respondent’s home country to resolve UDRP disputes is in line with traditional territoriality principles.

²³⁶ *UDRP Rules*, *supra* note 5, § 3(b)(v).

²³⁷ See Jonathan Zittrain & Benjamin Edelman, *Empirical Analysis of Internet Filtering in China*, HARVARD LAW SCH., <http://cyber.law.harvard.edu/filtering/china/> (last updated Mar. 20, 2003).

Using local laws, though, decreases the overall uniformity of the UDRP. Indeed, we saw in Section IV.A that at least one panel fears that applying local laws would disturb the uniformity of the UDRP.²³⁸ That fear, however, seems overstated. Currently, various splits already occur within the WIPO Rules.²³⁹ Furthermore, many decisions (68%),²⁴⁰ do not cite WIPO Rules at all. Although importing national law may fracture the UDRP, maintaining the current U.S. law/UDRP dichotomy trades one large fracture line for a more nuanced and controlled approach. The U.S. law/UDRP dichotomy, for example, sacrifices the territoriality that defines all other trademark law. Instead, it opts to favor U.S. parties, leaving others under less-friendly interpretations of the fair use defense, even in cases where their home country's law (like Germany's) may allow such a use.²⁴¹ Additionally, it ignores the fact that the parties can file lawsuits in various countries *even after* a UDRP resolution. Put another way, parties can pursue their *legal* options under the laws of other countries.²⁴² If the UDRP purports to be a system founded on common international principles, it makes little sense to disregard those legal principles that would govern in its absence. Moreover, there always exists the possibility of an increasingly unpredictable UDRP. Although the U.S. law/UDRP dichotomy exists now, further breaks could develop on unforeseen grounds. Although this risk currently appears low, it would, if realized, increase *ex ante* costs for both (potential) complainants and respondents.

Finally, the objection also assumes that the costs of using local laws would be much higher than a self-referential system. That assumption does not hold. Under a policy that uses local law to settle disputes, the respondent would have at least as much notice as under the UDRP. Instead of combing through WIPO decisions, which may not be in the native language of the party, the parties can consult the *binding* legal precedents of the applicable jurisdiction.

²³⁸ See *supra* notes 136–198 and accompanying text.

²³⁹ See *supra* notes 146–157 and accompanying text.

²⁴⁰ The 68% includes only decisions after WIPO published its Rules in 2005.

²⁴¹ See *supra* notes 159–198 and accompanying text.

²⁴² Taking account of local laws also recognizes the realities of the political economy. If the UDRP does not reflect the laws of specific countries, the usefulness of the UDRP diminishes, at least in particular countries. In the United States, for example, the ACPA reflects principles embodied in the UDRP; thus, the UDRP should be a strong predictor of outcomes under the ACPA. But, if the UDRP does not reflect U.S.-ACPA law, the UDRP risks becoming disconnected from the ACPA, at least when applied to U.S. parties. How this would affect the use of U.S. courts and the state of U.S. law is uncertain. At the very least, it would change the current incentive structure for filing UDRP complaints. Similar concerns exist for countries that have specific cybersquatting laws.

For a similar reason, a UDRP that imported local law could *reduce* social costs by specifying what law applies and who applies it. As one scholar has noted: “the differences between the trademark and domain-name systems lead to these (and other) social costs *ex post*; if these are costs that can be reduced by one system having regard to the other *ex ante*, then some coordination is clearly worthwhile.”²⁴³ A system defined by reference to specific laws is also better equipped to address noneconomic trademark law concerns, such as free speech.²⁴⁴ This is important because “different countries deal with the collision [between trademark law and free speech] in different ways”²⁴⁵

What if, however, a country has no specific domain-name law? Of the thirty-four countries in my study, for example, only seven countries in my sample have laws that discuss domain names: the United States, Belgium, Finland, Japan, Russia, Spain, Italy, and, very recently, France and Norway.²⁴⁶ Only a few of these laws deal explicitly with cybersquatting. How could panels apply the laws of their home country when none existed? That question erroneously assumes that having no *cybersquatting* law is the same as having no law at all. Although many countries do not have cybersquatting laws, they do have laws regarding speech and trademarks. These laws can be applied in the context of UDRP disputes involving fair use. Prior to the enactment of the ACPA, for example, U.S. courts ably applied free speech and trademark principles to domain-name disputes.²⁴⁷ Indeed, they still do—the ACPA is an alternative to traditional trademark infringement (and dilution) actions.²⁴⁸ There is no reason to suspect other countries’ courts or arbitrators would be less capable. Some countries already have done this.²⁴⁹

Alternatively, panels could incorporate existing country-specific, domain-name resolution policies. Many countries have UDRP-like poli-

²⁴³ Dinwoodie, *supra* note 207, at 505–06.

²⁴⁴ *Id.* at 511 (stating that “trademark protection, especially for words, collides with free speech concerns”).

²⁴⁵ *Id.*

²⁴⁶ See *supra* notes 184–191 and accompanying text.

²⁴⁷ Courts in the United States—prior to Congress enacting a domain-name-specific law (the ACPA)—used traditional trademark principles to resolve domain-name disputes. See, e.g., *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1046 (9th Cir. 1999) (applying traditional trademark law principles to a dispute involving domain names); *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1324–27 (9th Cir. 1998) (applying the Federal Trademark Dilution Act to a cybersquatting dispute).

²⁴⁸ E.g., *Newport News Holdings Corp. v. Virtual City Vision, Inc.*, 650 F.3d 423, 431 (4th Cir. 2011) (dealing with a plaintiff who alleged a violation of the ACPA in addition to trademark law).

²⁴⁹ See *supra* note 196.

cies that pertain to domain names containing the country's "code"—like ".us" for the United States—known as a "country-code top-level domain" (ccTLD). Perhaps unsurprisingly, WIPO helped shape each of these agreements.²⁵⁰ These agreements, like the UDRP, are contractual. When one wants to register a domain name with ccTLD, one must do so through a registrar in that country.²⁵¹ Many registries have UDRP-like agreements that the registrant must agree to when registering a domain name.²⁵²

To obtain a ccTLD for Canada (.ca), for example, one must register with the Canadian Internet Registration Authority (CIRA).²⁵³ Like ICANN, CIRA binds registrants through a mandatory "Registrant Agreement."²⁵⁴ This agreement requires registrants to agree to resolve disputes²⁵⁵ using the CIRA Domain Name Dispute Resolution Policy (CDRP), which is similar to the UDRP.²⁵⁶

Although different countries' agreements have different provisions, they closely resemble the UDRP. The CDRP, for example, provides a list of what constitutes "legitimate interests."²⁵⁷ One of these in-

²⁵⁰ *Domain Name Dispute Resolution Service for Country Code Top Level Domains (ccTLDs)*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/cctld/> (last visited Dec. 20, 2011) ("WIPO has provided advice to many ccTLDs with a view to establishing registration conditions and dispute resolution procedures that conform with international standards of intellectual property protection while taking into account the particular circumstances and needs of the individual ccTLD.").

²⁵¹ SMITH, *supra* note 53, at 153.

A wide variety of organizations, some state, some private, have responsibility delegated by IANA [(The Internet Assigned Numbers Authority)] for managing country code domains Each ccTLD is able to organize and sub-divide its own domain space as it wishes within the general policy laid down by IANA Each ccTLD tends to have its own local requirements for registration

Id. (footnotes omitted).

²⁵² See *Arbitration and Mediation Center, ccTLD Database*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/amc/en/domains/cctld_db/codes/ar.html (last updated Oct. 24, 2011) (displaying a searchable database of "ccTLD registration agreements, WHOIS services, and alternative dispute resolution procedures").

²⁵³ *FAQ*, CANADIAN INTERNET REGISTRATION AUTH., <http://www.cira.ca/why-ca/faq/> (click through "What is a registry") (last visited Dec. 20, 2011) ("CIRA is the registry for the .CA domain.").

²⁵⁴ *Registrant Agreement, Version 2.0, Oct. 12, 2010*, GODADDY.COM, <https://www.godaddy.com/domains/popups/caagreement.aspx> (last visited Dec. 20, 2011).

²⁵⁵ *Id.*

²⁵⁶ See *CIRA Policies, Rules, and Procedure: CIRA Domain Name Dispute Resolution Policy, Version 1.2*, CANADIAN INTERNET REGISTRATION AUTH., http://www.cira.ca/assets/Documents/CDRP_policy.pdf (last visited Dec. 20, 2011).

²⁵⁷ *Id.* § 3.6.

cludes using the domain name “in good faith in association with a non-commercial activity including, without limitation, criticism, review or news reporting”²⁵⁸ The fair use provision of the “.au” Dispute Resolution Procedure (auDRP), which resolves disputes involving Australia’s ccTLD, is identical to the UDRP.²⁵⁹

Although using ccTLD dispute resolution procedures has promise, there are two problems. First, most of these policies do not differ from the UDRP. Thus, they do not provide much substantive guidance. This likely reflects WIPO’s role in helping registrars craft dispute resolution policies.²⁶⁰ Second, even if the UDRP did use specific ccTLD policies to resolve domain-name disputes, it probably would not reflect the legal differences in each country. The reason is because WIPO already decides many ccTLD disputes.²⁶¹ The data, however, show that arbitrators are not importing their national law. For the UDRP to truly account for the nuanced distinctions between countries, it must do more than look to ccTLD dispute resolution policies. Thus, using ccTLD dispute resolution procedures may not resolve the problem we are trying to address. Specifically, it will not provide guidance to panels about what legal principles they should use to resolve a domain-name dispute.

For this reason, it is best to decide fair use domain-name disputes by reference to the trademark and unfair competition law(s) of each country. This kind of decision making also has benefits. Like a federal-state system, it frees entities to craft new laws according to various customs. These customs approximate the values that permeate particular societies. Over time, individuals and societies compare the emerging legal rules with values. Based on this comparison, some rules are discarded, revised, or retained. New rules also emerge. The proposed approach facilitates this process. It promotes more informed and nu-

²⁵⁸ *Id.* § 3.6(d).

²⁵⁹ *.au Dispute Resolution Policy (auDRP) (2010-05)* § 4(c)(iii), .AU DOMAIN ADMIN. LTD. (Aug. 13, 2010), <http://www.auda.org.au/policies/auda-2010-05/> (stating as a right or legitimate interest that “you are making a legitimate non-commercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the name, trademark or service mark at issue”).

²⁶⁰ *Domain Name Dispute Resolution Service for Country Code Top Level Domains (ccTLDs)*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/cctld/> (last visited Mar. 6, 2011) (“WIPO has provided advice to many ccTLDs with a view to establishing registration conditions and dispute resolution procedures that conform with international standards of intellectual property protection while taking into account the particular circumstances and needs of the individual ccTLD.”).

²⁶¹ For a list of auDRP disputes and those resolved by WIPO, for example, see *auDRP Proceedings Archive*, .AU DOMAIN ADMIN. LTD., <http://www.auda.org.au/audrp/proceedings-archive/> (last updated Nov. 16, 2011).

anced legal decision making. And, it does so by drawing on the resources and minds of the entire world.

CONCLUSION

Revising and clarifying the choice of law provision will improve the functioning and enhance the legitimacy of the UDRP. What law applies in a UDRP dispute—fair use or otherwise—can determine who wins. As more people crawl the Web, an increasing number of individuals use domain names for a variety of purposes, including as comment, criticism, personal, informational, and fan websites. The rise in Internet use is not likely to reduce the number of domain-name disputes.²⁶² As the number of disputes increases, the UDRP will become more important. Without intervention, the effectiveness and fairness of the UDRP will likely suffer. To avoid this failure, ICANN should revise the current choice of law provision.

The results of my study show that U.S. respondents have an advantage in fair use domain-name disputes; this Article calls this phenomenon U.S. Favoritism. Specifically, U.S. respondents win in fair use cases 35% of the time, compared to 17% of the time for other respondents. Additionally, U.S. panels rendered decisions favorable to respondents in 36% of cases, compared to 20% for other panels. Although my study was limited to WIPO fair use cases, further study might reveal similar U.S. Favoritism in UDRP decisions generally.

U.S. Favoritism occurred for two reasons. First, the UDRP's choice of law provision allowed panels to apply any country's law in their complete discretion. Second, U.S. panels took advantage of this provision at higher rates than their counterparts: they imported U.S. law into UDRP fair use cases more frequently than other panels—or, at the very least, other panels perceived U.S. law as generally more speech-friendly than non-U.S. law. The "imported" law provided more protection to respondents than the UDRP as applied without reference to any country's law. Once imported, the law replicated and now populates WIPO decisions as a rule.

Despite the hazards of its current choice of law provision, ICANN does not seem concerned with the issue. Recently, for example, ICANN

²⁶² With the exception of 2009, the number of UDRP decisions decided by WIPO generally has risen each year since 2003. *Total Number of Cases per Year*, WORLD INTELLECTUAL PROP. ORG., <http://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last visited Dec. 20, 2011) (listing the numbers from 1999–2011 in ascending order: 1, 1857, 1557, 1207, 1100, 1176, 1456, 1824, 2156, 2329, 2107, 2696, and 2390).

debated how to add new domain-name space to the Internet.²⁶³ Part of this process included formulating a dispute resolution procedure for domain names registered in this new space.²⁶⁴ Like the UDRP, disputes over these new online territories may favor certain parties if the choice of law issue is not settled. Unfortunately, ICANN's new gTLD dispute procedure ignores this issue. Instead, it allows legal objections to newly registered domain names based on "generally accepted and internationally recognized principles of law."²⁶⁵ Although different from that in the current UDRP—which allows panels to apply "any . . . principles of law . . . [they] deem[] applicable"²⁶⁶—it is not likely to provide choice-of-law guidance for panels. The final draft of the new gTLD procedure allows "legal rights objections" for when the "applied-for gTLD string infringes the existing legal rights of the objector."²⁶⁷ The new procedure does not take a stance on the choice of law issue and leaves it up to the panels; they decide what constitutes an "infringement" of legal rights. Panels also decide, when a limited public interest objection is filed, what constitute "general principles of international

²⁶³ Specifically, ICANN is adding new generic gTLDs, which the reader may recognize as the familiar ".com," ".edu," etc. Among the new gTLDs will be Internationalized Domain Names ("IDNs"), which are "represented by local language characters, or letter equivalents." *Frequently Asked Questions*, *supra* note 87. One example is ".テスト" (this kanji means "test" in Japanese), which would represent a Japanese IDN. *Root Zone Database*, INTERNET ASSIGNED NOS. AUTH., <http://www.iana.org/domains/root/db/> (last visited Dec. 20, 2011).

²⁶⁴ ICANN has posted a new version of this dispute resolution procedure. See INTERNET CORP. FOR ASSIGNED NAMES & NOS., gTLD APPLICANT GUIDEBOOK: MODULE 3 § 3.1.2.2 (2011), available at <http://www.icann.org/en/topics/new-gtlds/objection-procedures-clean-19sep11-en.pdf> (explaining that rights-holders can object by claiming that the new gTLD infringes a registered or unregistered trademark); *id.* § 3.4.2 (listing a variety of factors for a panel to consider). See generally INTERNET CORP. FOR ASSIGNED NAMES & NOS., ATTACHMENT TO MODULE 3: NEW gTLD DISPUTE RESOLUTION PROCEDURE (2011) [hereinafter ATTACHMENT TO MODULE 3], available at <http://www.icann.org/en/topics/new-gtlds/new-gtld-drp-clean-19sep11-en.pdf>.

²⁶⁵ ATTACHMENT TO MODULE 3, *supra* note 264, art. 2(e)(ii) (allowing for an "Existing Legal Rights Objection" when "the string comprising the potential new gTLD infringes the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law"); *id.* art. 2(e)(iii) (allowing for a "Limited Public Interest Objection" when "the string comprising the potential new gTLD is contrary to generally accepted legal norms relating to morality and public order that are recognized under international principles of law"). The proposed procedure allows specific potential objections that are not based on any kind of legally recognized right. See *id.* art. 2(e)(i) (specifying objections based on confusing similarity to an *existing gTLD* (not trademark)); *id.* art. 2(e)(iv) (specifying objection when a significant portion of a community "to which the string may be explicitly or implicitly targeted" so requests).

²⁶⁶ UDRP Rules, *supra* note 5, § 15(a).

²⁶⁷ gTLD APPLICANT GUIDEBOOK, *supra* note 87, § 3.2.1.

law for morality and public order.”²⁶⁸ Still, the new procedure does not leave panels free to do whatever they choose; it lays out factors for panels to consider when determining what these standards mean.²⁶⁹ In other words, ICANN prefers dispute resolution procedures that can, but need not, account for local law.

The findings of this study, however, suggest equivocating or avoiding the choice of law issue will lead to favoritism of some nationality, or perhaps for existing domain-name holders. This has the potential to undermine the legitimacy and efficacy of the UDRP as an international dispute resolution mechanism.

ICANN, of course, could prevent that from happening—and the time is ripe for it to do so. Recently, ICANN reviewed the UDRP. In February 2011, the Generic Names Supporting Organization (GNSO) Council requested an Issue Report on “[h]ow the UDRP has addressed the problem of cybersquatting to date, and any insufficiencies/inequalities associated with the process.”²⁷⁰ Following a request for public comments, two community members identified safe harbors for free speech as an area that needs attention.²⁷¹ The issue is all the more pressing given that the GNSO council previously resolved to make no action on at least one pressing free speech issue (Gripe Sites).²⁷² ICANN issued a Final Report on the Current State of the Uniform Dispute Resolution (“Final Report”),²⁷³ which was submitted to the GNSO Council in October 2011.²⁷⁴ The GNSO Council will then consider whether “to commence a policy development process (PDP) on the UDRP”—that is,

²⁶⁸ *Id.* § 3.5.3.

²⁶⁹ *Id.* § 3.5.

²⁷⁰ MARGIE MILAM, INTERNET CORP. FOR ASSIGNED NAMES & NOS., FINAL GNSO ISSUE REPORT ON THE CURRENT STATE OF THE UNIFORM DOMAIN NAME DISPUTE RESOLUTION POLICY 1, 33 (2011), available at gns0.icann.org/issues/udrp/udrp-final-issue-report-03oct11-en.pdf.

²⁷¹ *Id.* at 37, Annex 2.

²⁷² *Id.* at 35, Annex 1.

Rough Consensus: Make no recommendation. The majority of RAPWG members expressed that gripe site and offensive domain names that use trademarks should be addressed in the context of cybersquatting and the UDRP for purposes of establishing consistent registration abuse policies in this area, and that creating special procedures for special classes of domains, such as offensive domain names, may present problems.

Id.

²⁷³ *Id.*

²⁷⁴ The GNSO Council is an ICANN organization that identifies and recommends changes to gTLD policies. GNSO, ICANNWIKI, <http://icannwiki.com/index.php/GNSO> (last modified Sept. 10, 2011).

the GNSO Council will decide whether to revise the UDRP.²⁷⁵ The Final Report recommends delaying a PDP until the new gTLD dispute-resolution system—the Uniform-Rapid Suspension System (URS)—has operated for “at least eighteen months.”²⁷⁶ Because ICANN modeled the URS on the UDRP, it suggests that the data from the URS would inform any decision on the UDRP.²⁷⁷ The GNSO Council has agreed, and it will revisit the issue after receiving another ICANN staff report within the next eighteen months.²⁷⁸

Although ICANN has decided not to reform the UDRP immediately, it has left open the possibility that it will do so in the near future. When it next examines the issue, ICANN should consider the results of this study and the variety of studies and suggestions offered by others concerned with the UDRP. The results of this study show that panel assignment in fair use cases is different for U.S. and non-U.S. parties. And this panel assignment—along with a vague choice of law provision—helps explain what I call U.S. Favoritism: U.S. panels provide, and U.S. respondents receive, more favorable treatment than their counterparts in fair use disputes. U.S. Favoritism raises concerns of speech, fairness, predictability, and legitimacy. One way to address these concerns is to specify what law, if any, applies in fair use disputes. Doing so would likely require altering the panel assignment procedures. And that, in turn, should force two other beneficial changes. First, ICANN should make an otherwise secret panel-assignment procedure public. Second, ICANN should ensure panelists have knowledge of the law that applies in fair use disputes. If ICANN makes these changes in the context of fair use—and considered them for the UDRP at large—it would improve the UDRP.

²⁷⁵ See MILAM, *supra* note 270, at 3.

²⁷⁶ *Id.* at 4 (recommending “that a PDP on the UDRP not be initiated at this time”).

²⁷⁷ *Id.* (stating that this “would allow the policy process to be informed by data regarding the effectiveness of the URS, which was modeled on UDRP, to address the problem of cybersquatting”).

²⁷⁸ E-mail from Glen de Saint Géry, GNSO Secretary, to GNSO Council (Dec. 16, 2011, 02:58), available at <http://gns0.icann.org/mailling-lists/archives/council/msg12522.html>.

RESOLVED further, the GNSO Council requests a new Issue Report on the current state of all rights protection mechanisms implemented for both existing and new gTLDs, including but not limited to, the UDRP and URS, should be delivered to the GNSO Council by no later than eighteen (18) months following the delegation of the first new gTLD.

