

## Using the Dispute Resolution Service for .uk domain names online survey

Submit date : **Feb 16, 2007**

Question 1: Please give us feedback on our proposals that the DRS should include:

- (a) protection for words which have a distinctive character as a result of the use made of them.
- (b) dictionary words which are protected by registered trade marks or good will.

**We would support a clarification that ordinary words can be protected as registered or unregistered trade marks. This would bring the DRS in line with UK trade mark law. We note that in our view such generic words are already protected under the current definition of "rights" in the Nominet policy. However, we appreciate that individuals can misunderstand this point, so further clarification is welcome.**

Question 2: Please give us your feedback on our proposal that the DRS should include the following as examples of things that are not necessarily evidence of abuse:

- a general offer to resell a domain name
- sale of traffic (i.e. visitors to the domain name)
- registering many domains

**Given that it is an accepted principle of Nominet that secondary trading in domain names is not in itself abusive, we submit that no further clarification is required on this point. The sale of domain names and use of pay-per-click sites are frequently strategies used by cyber squatters to extract value from an abusive domain name registration.**

**By registering domain names and posting pay-per-click sites on them, such registrants are deriving profit that directly results from consumer confusion as to the true nature of a particular domain name: in other words taking advantage of the complainant's goodwill. Such use therefore falls squarely within the first limb of the definition of "Abusive Registration".**

**In any case, it should be left up to the Expert in each case to identify whether such activity is abusive in any given case. Further, by identifying these activities as not being necessarily abusive, there is a risk that Nominet gives cyber squatters a potential "safe harbour" for their abusive registrations. For example, such a clarification might lead Experts to consider there to be a rebuttable presumption that such uses are not abusive.**

Question 3: Please give us feedback on our proposal that the DRS should include a statement that, where the evidence is finely balanced, the weaker the rights that the complainant has, the less likely it is that abusive registration or use will be inferred.

We believe that to incorporate this additional provision in the policy will only serve to confuse the grounds on which a complainant can recover a domain name. The way this statement is drafted implies that that a finding of an "abusive registration" is in some way linked to the existence of rights.

The DRS Policy sets out a clear test with two discrete limbs: (1) Does the complainant have the relevant rights and (2) Is the registration abusive? The first limb of this test is a binary finding of fact to be made by the Expert on the evidence submitted by the complainant.

Similarly, with one exception (discussed below), a finding of an "abusive registration" is a binary test. There is no need under the current DRS Policy to confuse these two limbs. There is one area where the strength of the complainant's rights is relevant in considering whether a registration is abusive and that is where the Expert needs to consider whether the registration is likely to confuse people or businesses (i.e. DRS Policy, paragraph 3(a)(ii)).

In this regard, the stronger a complainant's rights, the easier it would be for the Expert to find confusion. If there is misunderstanding among users of the DRS on this point, it might be appropriate to include this clarification in the explanatory notes and information provided on Nominet's website.

Question 4: Please tell us which payment option you would prefer and why: no change; a small upfront fee; or loser pays?

Many of the respondents to DRS complaints have legitimately registered the relevant domain name in good faith without any intention to infringe another party's intellectual property rights. However, many respondents are cyber-squatters. Cyber-squatters deliberately (a) infringe intellectual property rights of the complainants for monetary gain and (b) create confusion among the public who are trying to find the complainant's websites.

Clifford Chance firmly believes that there the DRS should provide some disincentive to cyber squatters to register abusive domain names, while not imposing too great a burden on legitimate respondents. As the system currently operates, cyber squatters can register abusive registrations in the knowledge that the legitimate owner of the domain name will either have to pay the cyber squatter an amount for the domain name, or pay £750 plus VAT to Nominet to recover the domain name through the DRS.

Either way, the cyber squatter will not suffer any penalty. This system is also at odds with the English legal system which operates on the general principle of "loser pays". However, we also note the practical difficulties of enforcing cost orders against losing respondents.

One approach to obviating this difficulty is to introduce a system whereby both parties provide an upfront payment of the DRS fees to Nominet by way of a "deposit". The party that loses forfeits their deposit, while the successful party has their deposit returned to them. If the respondent refuses to pay the fee then they automatically forfeit the domain name (which would also make the DRS much more cost efficient as many cases would not get to the Expert determination stage).

**An alternative halfway house between the full deposit system outlined above and the current system is for the complainant to pay the full amount for the decision in the normal way but, in addition, for the respondent to pay a small fee (in the region of £100) to Nominet at the outset. If the respondent loses the case, then this fee will be forfeited to the complainant. Although this does not wholly compensate the complainant for the costs they have incurred, it is a large enough sum to act as a disincentive to the respondent to register abusive domain names.**

Question 5: How would you enforce any system of refund (outlined in option 3)? Which section of the community would you imagine would most benefit from a refund system?

**See above.**

Question 6: Do you have any comments about the proposals to change aspects of the procedure, payment, drafting, appeals, expert decisions, abusive registrations or miscellaneous issues?

**Although we note that the DRS does not operate a precedent system, it would be extremely helpful to parties using the DRS (both parties to the dispute and their advisers) if it were possible to efficiently search and review the published decisions for guidelines as to how a particular dispute might be decided.**

**In this regard we note that the UDRP provides a guide to previous decisions categorised under issues that commonly arise (see "WIPO Overview of WIPO Panel Views on Selected UDRP Questions" available at [www.wipo.int](http://www.wipo.int)). The online submission of the Complaint seems to remove all the formatting and paragraph breaks from the Complaint. This must make it extremely hard for the Expert to review the submissions.**

**In relation to the evidence of abusive registration contained in the Nominet policy, and in particular to paragraph 3(a)(ii), the extent to which the complainant has to establish "actual confusion" or simply "likelihood of confusion" is not clear. It appears that most Experts interpret this factor as meaning "likelihood of confusion" (and this would be in line with UK trade mark law). However, a literal reading of this factor suggests that the Complainant needs to produce evidence of actual confusion. The factor should be clarified to make it clear that "likelihood of confusion" is the required test.**

**Also in relation to the confusion factor in the DRS Policy, there is no reference to the intention of the Registrant. However, some Experts appear to interpret this factor as requiring that the complainant must establish that the Registrant intended to cause confusion. Again, this should be clarified. However, we note that UK trade mark law does not require the rights holder to establish intent on the part of the infringer.**

Question 7: Do you have any other changes you would like to see within the DRS, or topics within the DRS that you wish to comment on? In particular, if you have any views about any of the following topics which have been the subject of discussion, please let us know:

- Length of submissions and word limits.
- The impact of Internationalised Domain Names, if introduced.
- Whether experts can find a registration abusive for reasons not spelled out in the

complaint.

- Whether there have been any practical problems with the treatment of 'Without Prejudice' material.
- Whether experts should be able to represent parties in other disputes, and if not how to keep the quality of experts high.
- Whether the detail of the DRS can be taken out of the contract and updated more regularly.

Please give us your contact details

Name

Company Name

**Clifford Chance LLP**