

Research of Facts and Law under the UDRP

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Jeff Zaino's recent question on Resolution Roundtable, "Independent Legal Research by an Arbitrator - What are your thoughts?" elicited a tremendous response from members, was thoroughly enjoyable, a great learning opportunity, and is a service to our community. The takeaway is that there is a range of opinion about doing legal research; that if it is done at all parties should be given an opportunity to respond to it. Arbitrators are definitely not authorized to do factual research—that is solely the parties' burden. It is generally understood that a neutral's role is limited to assessing the evidence proffered by the parties; not to assist one or the other to make its case, but there is less certainty about legal research—which may be necessary to achieve fairness and justice, subject always of course to the particular circumstances of the case.

In the online dispute resolution process implemented in 1999 by the Internet Corporation for Names and Numbers (ICANN), the Uniform Domain Name Dispute Resolution Policy (UDRP) there is a different attitude to independent research, both factual and legal. Online means never speaking with or meeting the disputants. The process has developed some peculiarities different from commercial ADR. Panelists (as arbitrators are called in the UDRP process) must assess entitlement to domain names based solely on papers in which parties not infrequently fail to provide sufficient evidence about their stories and counter stories.

Looking beyond the parties' records will of course be viewed as a horror story to ADR practitioners! That it is accepted practice by UDRP panelists can be gauged by the several illustrations I've collected from very recent decisions. What I should emphasize here is that these illustrations are not anomalies; the practice that I describe is based on consensus and precedent in this process; it is memorialized in an online legal compendium created by the World Intellectual Property Organization (WIPO) and known as the WIPO Overview of WIPO Panel Views on Selected UDRP Questions (the Overview). The Overview is now its second edition.

The consensus in the UDRP community is that panelists are not prohibited from doing independent factual research, albeit within limits but nevertheless not discouraged if the purpose is to "reach the right decision." (There is no prohibition about citing cases whether or not found by the parties). Paragraph 4.5 of the Overview states that a

panel may undertake limited factual research into matters of public record if it deems this necessary to reach the right decision. This may include visiting the website linked to the disputed domain name in order to obtain more information about the respondent and the use of the domain name, consulting a repository such as the Internet Archive (at www.archive.org) in order to obtain an indication of how a domain name may have been used in the relevant past, reviewing dictionaries or encyclopedias to determine any common meaning, or discretionary referencing of trademark online databases. A panel may also rely on personal knowledge.

A fairly benign illustration of factual research is *Elizabeth Arden, Inc. v. Zhao Jiafei*, D2015-1344 (WIPO September 22, 2015) (Respondent defaulted in appearance) in which the Panel stated that it

visited the disputed domain name in order to investigate whether any evidence could be found as to the Respondent's rights or legitimate interests in the disputed domain name. The Panel did not find any such evidence. To the contrary, from the Panel's own research, it is apparent that the disputed domain name gives access to a pay-per-click website including hyperlinks to cosmetic products.

The Panel in *LPG Systems v. Aleksei Kistenev*, D2015-0955 (WIPO July 29, 2015) (<lpgstyle.com>) performed a more thorough investigation:

To support its contention, the Complainant submitted printouts of the Respondent's website made on May 12, 2015, featuring a SENSKIN trademark in the right column of the website's frame and the SENSOL trademark in the right and left columns of the website's frame. The Respondent submitted screenshots of several pages of the "www.lpgstyle.com" website showing that neither SENSKIN, nor SENSOL trademarks are featured on the website. To determine how the website was used in the past, the Panel visited the "www.lpgstyle.com" website and consulted the Internet Archive ("www.archive.org"). It is an established practice, that "[a] panel may undertake limited factual research into matters of public record if it deems this necessary to reach the right decision,"⁷ The research revealed that although the "www.lpgstyle.com" website offers neither Sensol or Senskin products for sale, it offered Sensol products for sale in the past. The Panel, therefore, finds that the Respondent used the "www.lpgstyle.com" website to sell both used LPG equipment and Sensol products.

The problem in *LPG Systems* is evident, namely that in researching the facts the Panel may discover that a party is not telling the truth, has not provided sufficient evidence, or the Panel finds evidence supporting respondent's position. Notably, the Overview's endorsement of factual research "to reach the right decision" could be problematic because it appears to give panelists the authority to shed their neutrality in favor of a higher cause.

This shedding of neutrality is illustrated in *Adam Summers v. Georgina Nelson, CEO and Founder of truRating Limited*, D2015-0592 (WIPO May 24, 2015). Here, the Respondent defaulted but the Panel made the Respondent's case after researching both parties:

[Complainant] The Complainant did not provide a copy of its US Trade Mark registration or any registration details, such as the registration number and the date of registration. Due to these evidentiary gaps, the Panel has undertaken independent research, as it is entitled to pursuant to paragraph 10 of the Rules. The Panel confirms that, according to United States Patent and Trademark Office records, the Complainant owns the Trade Mark.

[Respondent] The Respondent's website at <truratings.com> states that the Respondent's company (truRating Limited) is a company registered in England and Wales (Registration No. 08251033). The Panel conducted searches to confirm the accuracy of this information, and determined that truRating Limited was incorporated on October 12, 2012. The Respondent's company also owns a trade mark registration for TRURATING (UK Trade Mark Registration No. UK00003039473), registered May 16, 2014.

Although the right decision theoretically delivers justice—assuming “justice” to be the goal—it has the result of relieving the benefitting party (again a defaulting Respondent) from having to prove its case. A further illustration of this is *MAGIX Software GmbH v. The Music Connection*, D2015-1216 (WIPO October 1, 2015) (<musicmaker.com>). While “justice” may have been served in *MAGIX* it is particularly problematic because the defaulting respondent benefited from Panel’s factual research.

To some extent this lapse of neutrality is mitigated by the Panel invoking a best practice in arbitration of disclosing what it did and providing an opportunity for the parties to respond. The WIPO Overview continues:

If a panel intends to rely on information from these or other sources outside the pleadings, especially where such information is not regarded as obvious, it will normally consider issuing a procedural order to the parties to give them an opportunity to comment. Alternatively, or additionally, if the panel feels that it requires supplemental information to make a decision in a proceeding, it can issue a procedural order to the parties requesting the submission of such information.

This is precisely what the Panel in *Magix* did:

In accordance with the general powers of the Panel as provided at paragraph 10 of the UDRP Rules and the procedure identified at paragraph 4.5 of WIPO Overview 2.0, the Panel hereby notifies the Complainant of the above research which it intends to reference in the course of its Decision and allows the Complainant until Monday, September 21, 2015 to lodge any further submissions it may wish to make in relation to this research.

In *MAGIX* the factual research discovered was sufficient to favor the absent Respondent. Of course, the conundrum is created by the desire for “reach[ing] the right decision.” Although understandable, the question (nevertheless) is whether it is correct to “reach[] the right decision” when the party fails to defend itself. Should the Panel have done what it did?

In both ODR and ADR practices default in appearance is not deemed an admission of alleged material facts; claimant or complainant must still prove its claim. There are cases in the UDRP database in which Panels faced with this dilemma of putting a finger on the scale have based their determinations on the record, solely, as do ADR arbitrators; which in the UDRP context means not assisting the defaulting respondent. This is harsh justice but by doing so Panels retain their neutrality by limiting themselves to the evidence submitted by the parties and not interfering with the process.