

# Making Sense of the Cybercrime Courts’ Jurisdiction Over Cybersquatting Cases in Light of the Concurrent Jurisdiction of World Intellectual Property Organization Panels Pursuant to the Uniform Dispute Resolution Policy

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## I. INTRODUCTION

It is hard to imagine a world where popular brands have no domain names attached to them. A domain name,<sup>1</sup> which is oftentimes comprised of the trademark, is invaluable property, as it points the public to particular products and services. Just imagine if instead of typing in <google.com> to reach the search engine Google, one has to key in <themostextensivesearchengine.com>. It may be quite funny, but it is definitely not intuitive. It, therefore, makes sense for Google to own and use <google.com>. On that note, it also made sense to Google to register <google.net> and <google.com> (with three letter “O’s”), which both direct users to <google.com>. Registering domain names has become essential to today’s public life, media consumption, and business in general.<sup>2</sup>

<Ggoogle.com> and <ggoogle.cm> are also registered by Google. Companies may have good reason to register even the misspelled versions of

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1. See generally MARK ELSLIE & SIMON PORTMAN, *INTELLECTUAL PROPERTY: THE LIFEBLOOD OF YOUR COMPANY* 30 (2011).

2. See Relentless Hosting, *Why Domain Names Are Important*, available at <https://www.relentlesshosting.com.au/why-domain-names-are-important> (last accessed Feb. 29, 2020).

the domain name.<sup>3</sup> If a scrupulous person had beaten Google at registering <goooooogle.com> (with three “O’s”) and created a website filled with pornographic material or a mousetrap,<sup>4</sup> then internet users who mistype <goooooogle.com> will be directed to content they are likely not looking for. To prevent such a misdirection or confusion, Google must have found it necessary to register many other permutations of its domain name.<sup>5</sup>

Given the value of domain names, many resort to the practice of registering domain names in the hope of turning around and selling their acquisition to the brand owner.<sup>6</sup> It is more common than one may think. In 2019, Facebook, LLC sought to acquire <fbcandy.com><sup>7</sup> and <fbhelpcenter.com>,<sup>8</sup> and those are simply the most recent of the dozens of domain name dispute cases the social media platform brought.<sup>9</sup> Needless to

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3. Youdot, Should You Register Each Variation of Your Domain Name?, *available at* <https://blog.youdot.io/en/should-you-register-each-variation-of-your-domain-name> (last accessed Feb. 29, 2020).
  4. A mousetrapping website is one which locks the screen and disables the close “x” button forcing the user to click thru several ads before proceeding to normal use. See MarketingTerms.com, Mousetrapping, *available at* <https://www.marketingterms.com/dictionary/mousetrapping> (last accessed Feb. 29, 2020). Mousetrapping is defined as “one of the most extreme marketing tactics on the Web. The goal is to extract maximum value from one-time visits, typically by bombarding visitors with a never-ending supply of traffic-exchange banners and pay-per-click links.” *Id.*
  5. Although, as of writing, goooooogle.com (with 4 “O’s”) is still available for sale and registration. If one will browse www.goooooogle.com, an offer to acquire the platform will appear in the web browser indicating that the domain name is available.
  6. ELMSLIE & PORTMAN, *supra* note 1, at 31.
  7. Facebook, Inc. v. Registration Private, Domains By Proxy, LLC / Giap Nguyen Van and Giao Tran Ngoc, Case No. D2018-2762, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/decisions/text/2018/d2018-2762.html> (last accessed Feb. 29, 2020).
  8. Facebook Inc. v. Domains by Proxy, LLC / Carolina Rodrigues, Fundacion Comercio Electronico, Case No. D2019-0252, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/decisions/text/2019/d2019-0252.html> (last accessed Feb. 29, 2020).
  9. Trademarks and Brands Online, Facebook and Instagram recover 46 domains in UDRP dispute, *available at* <https://www.trademarksandbrandsonline.com/news/facebook-and-instagram-recover-46-domains-in-udrp-dispute-4717> (last

say, these domain name squatters or “cybersquatters” are a bane to brand owners who do not want their names associated or confused with another.

The Philippines has had its share of cybersquatting incidents. In recent years, Instagram, LLC<sup>10</sup> (the social media platform), A.S. Watsons TM Limited<sup>11</sup> (the seller of medicine and medical supplies), Reebok International Limited<sup>12</sup> (the sports brand), Tinder, Incorporated (the dating application),<sup>13</sup> and Facebook, Inc.<sup>14</sup> are just few companies which have had some run-ins with cybersquatters who registered a <.ph> name.<sup>15</sup> All of these companies had the benefit of invoking the cybersquatting provision of Republic Act No. 10175 or the Cybercrime Prevention Act of 2012 (Cybercrime Act),<sup>16</sup> but instead they opted for — and were successful in using — a different remedy following a set of rules called the Uniform

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accessed Feb. 29, 2020). *See also* Facebook, Inc. and Instagram, LLC v. Xiamen eName Network Co., Ltd / weiwei, Case No. D2016-0409, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2016-0409> (last accessed Feb. 29, 2020).

10. Instagram, LLC v. Jiwon Song, Case No. DPH2018-0002, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DPH2018-0002> (last accessed Feb. 29, 2020).
11. A.S. WATSONS TM LIMITED v. David J. Perkins, Worldwide Domains, Case No. DPH2018-0004, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DPH2018-0004> (last accessed Feb. 29, 2020).
12. Reebok International Limited v. park, simon (kwang-ho), Jad Corporation, Case No. DPH2017-0007, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DPH2017-0007> (last accessed Feb. 29, 2020).
13. Tinder, Incorporated v. Filorgy Interactive, Filorgy Dating Service, Case No. DPH2017-0003, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DPH2017-0003> (last accessed Feb. 29, 2020).
14. Facebook, Inc. v. SonYong Kim, Case No. DPH2017-0006, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DPH2017-0006> (last accessed Feb. 29, 2020).
15. <.ph> is the country code top level domain name or “ccTLD” for the Philippines. GlobalR.com, .PH ccTLD, *available at* <https://globalr.com/.ph> (last accessed Feb. 29, 2020).
16. An Act Defining Cybercrime, Providing for the Prevention, Investigation, Suppression and the Imposition of Penalties Therefor and for Other Purposes [Cybercrime Prevention Act of 2012], Republic Act No. 10175 (2012).

Domain Name Dispute Resolution Policy (UDRP).<sup>17</sup> These companies could have theoretically brought a suit before a cybercrime court in the Philippines, while the respondents could have opposed their complainants before a judge. As it currently stands, however, there is no controlling case in the Philippines dealing with the possible complexities and conflicts arising from the concurrent jurisdiction between a UDRP panel and a cybercrime court.

Keeping in mind the rise of cybersquatting incidents and the importance of informing legal practitioners of the prevailing practices in protecting brand interests of clients, the Authors seek to lay out the procedures observed in the UDRP, the treatment of UDRP panels in continuing or terminating cases in view of pending judicial disputes, and the likely treatment of domestic cybercrime courts of cybersquatting cases that have been resolved by or that are ongoing before a UDRP panel. There will also be a discussion on some issues that may need clarification in order to evaluate whether the use of the domestic cybersquatting provision makes sense to a trademark owner. At the core of this Article is the comparison between a UDRP and a cybersquatting case, and their likely relationship should both of them be pursued by the parties. The references shall mainly be World Intellectual Property Organization (WIPO) domain name disputes, considering that the WIPO has been the dispute resolution service provider for the most number of UDRP cases.<sup>18</sup> Meanwhile, references shall be made to cases decided in the United States (U.S.), from which doctrines on concurrent judicial and UDRP proceedings can be found.

Chapter II of the Article deals with explaining the relevant history, terminology, and processes related to the Domain Name System, including the bodies which administer to the system, the registration of domain names, and the events which led to the need for establishing a uniform set of procedure that would protect domain names. Chapter III will discuss the UDRP provisions and will pay attention to justifications and motivations used by the UDRP panel for the continuation, suspension, or termination of cybersquatting complaints. Chapter IV will tackle the situation from the

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17. Internet Corporation for Assigned Names and Numbers, Uniform Domain Name Dispute Resolution Policy, *available at* <https://www.icann.org/resources/pages/policy-2012-02-25-en> (last accessed Feb. 29, 2020) [hereinafter ICANN, Uniform Domain Name Dispute Resolution Policy].

18. World Intellectual Property Organization, Alternative Dispute Resolution, *available at* <https://www.wipo.int/amc/en/index.html> (last accessed Feb. 29, 2020).

perspective of Philippine cybercrime courts under Cybercrime Act and related principles. It shall be evaluated whether the concurrent jurisdiction with the UDRP panel of cybersquatting cases presents a boon or a bane for cybercrime courts or whether the prevailing legal landscape allows them the capacity to chart for brand owners legitimate protections against cybersquatting. Concluding thoughts and some observations shall be raised in Chapter V.

## II. OVERVIEW OF DOMAIN NAME REGISTRATION AND CYBERSQUATTING

### *A. Domain Name Registration*

The world wide web consists of an interconnected network of computers that communicate with one another.<sup>19</sup> Bits of information that come in a series of packets are sent and received each time a user interacts with the internet.<sup>20</sup> To ensure that these packets find their destination, they contain the sender's and receiver's Internet Protocol (IP) address, a unique set of numbers assigned to a specific computer.<sup>21</sup>

Much like how it is difficult to memorize another person's cell phone number or address, it can be a tedious task if one has to memorize an IP address just to be able to look up something online.<sup>22</sup> Thankfully, instead of memorizing "208.80.154.224," one can instead type <wikipedia.org>, the corresponding domain name, to access that site.

Under a domain name system (DNS), a computer can be assigned a unique name so that it can be easily located (e.g., google.com).<sup>23</sup> It is divided into a second-level domain ("google") followed by a dot ("."), followed by a top-level domain (TLD) ("com").<sup>24</sup> The second-level domain

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19. Lumen Learning, Reading: The Internet, *available at* <https://courses.lumenlearning.com/computerapps/chapter/reading-the-internet> (last accessed Feb. 29, 2020).

20. *Id.*

21. *Id.*

22. See Keith Shaw, What is DNS and how does it work?, *available at* <https://www.networkworld.com/article/3268449/what-is-dns-and-how-does-it-work.html> (last accessed Feb. 29, 2020).

23. *Id.*

name is usually an entity's name, product, or service, while the TLD mostly indicates what the nature of the entity is.<sup>25</sup> For example, ".com" is usually meant for commercial business or ".org" is for not-for-profit organizations.<sup>26</sup>

Domain name applicants register a unique second level domain and a TLD with domain name registrars on a first-come, first-serve basis.<sup>27</sup> These registrars assign for a fee the domain name after determining that the name is available.<sup>28</sup> Anyone can look up whether a domain name is already taken by using a simple online tool called Whois Lookup,<sup>29</sup> but applicants need to go through registrars to be assigned domain names.<sup>30</sup> Once assigned,<sup>31</sup> a registrant will have exclusive use of that name.

Registrars work with domain name registries, which accept registration requests either from registrars or registrants, maintain a database of the necessary domain name registration data, and provide information about the

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24. *Id.* See also Brad A. Madore, *www.TrademarkOwnersWin.com: The "Law" of ICANN's UDRP*, 67 CONSUMER FIN. L. Q. REP. 401, 402 (2013) (citing NATIONAL RESEARCH COUNCIL, SIGNPOSTS IN CYBERSPACE: THE DOMAIN NAME SYSTEM AND INTERNET NAVIGATION 43-44 (2005)).
  25. Madore, *supra* note 24, at 402 (citing NATIONAL RESEARCH COUNCIL, *supra* note 24, at 57-58).
  26. ITX Design, *.com vs .org which domain extension is better*, available at <https://itxdesign.com/com-vs-org-which-domain-extension-is-better> (last accessed Feb. 29, 2020).
  27. BitLaw, *Domain Name Disputes*, available at <https://www.bitlaw.com/internet/domain.html#assigned> (last accessed Feb. 29, 2020).
  28. *Id.*
  29. DomainTools, *Whois Lookup*, available at <http://whois.domaintools.com> (last accessed Feb. 29, 2020). A user can key in a domain name, and the tool will indicate limited information if the domain name is taken and some information relating to the registration. It will not always reveal the identity of the registrant or current holder. *Id.*
  30. BitLaw, *supra* note 27.
  31. The registrant also needs to list the domain name in a name server. Registrars will usually provide this service.

location of a domain name throughout the Internet.<sup>32</sup> An example is Verisign, which manages .com and .net domain names.<sup>33</sup>

On top of all of these is the Internet Corporation for Assigned Names and Numbers (ICANN), a California-based organization which oversees the assignment of domain names.<sup>34</sup> It accredits registrars and executes binding contracts with registries and registrars to streamline the management of the DNS.<sup>35</sup> As will be discussed, the relations between all of these entities play a vital role in enforcing the UDRP.

### *B. How Cybersquatting Became an Issue and Responses Thereto*

The ICANN describes cybersquatting as a “generally bad faith registration of another’s trademark in a domain name.”<sup>36</sup> Before this became the settled perspective, cybersquatting was at one point defended as a form of property speculation.<sup>37</sup> During the early days of the internet, when many have yet to assess the possible value of owning a domain name, enterprising persons took advantage of the then free domain name registration, speculating that they can probably sell it for profit to trademark owners, much like how property speculators purchase a piece of real estate hoping to let it go once its value has increased.<sup>38</sup> To imagine the extent of this speculation, one can look at one case decided in the U.S. —

Defendants are ‘cybersquatters,’ as that term has come to be commonly understood. They have registered over 12,000 internet domain names not for their own use, but rather to prevent others from using those names

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32. Whois, Domain Name Registration Process, *available at* <https://whois.icann.org/en/domain-name-registration-process> (last accessed Feb. 29, 2020).

33. Internet Corporation for Assigned Names and Numbers, General Questions, *available at* <https://www.icann.org/resources/pages/faqs-84-2012-02-25-en#4> (last accessed Feb. 29, 2020).

34. Internet Corporation for Assigned Names and Numbers, What Does ICANN Do?, *available at* <https://www.icann.org/resources/pages/what-2012-02-25-en> (last accessed Feb. 29, 2020).

35. *Id.*

36. Internet Corporation for Assigned Names and Numbers, About Cybersquatting, *available at* <https://www.icann.org/resources/pages/cybersquatting-2013-05-03-en> (last accessed Feb. 29, 2020).

37. Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain System*, 4 J. SMALL & EMERGING BUS. L. 149, 151 (2000).

38. *Id.*



without defendants' consent. Like all 'cybersquatters,' defendants merely 'squat' on their registered domain names until someone else comes along who wishes to use them. Like all 'cybersquatters,' defendants usurp all of the accepted meanings of their domain names, so as to prevent others from using the same domain names in any of their accepted meanings. And like all 'cybersquatters,' defendants seek to make a financial return by exacting a price before consenting to allow others to use the domain names on which they have chosen to 'squat.'<sup>39</sup>

U.S. courts were not sympathetic to the speculators' business angle. They saw it as a dubious practice that enabled disingenuous entities which do not have legitimate interest to sell "online space" to the highest bidders while precluding others who may want to register these names for a legitimate purpose —

Defendants' claimed 'service' depends on their first having preempted 12,000 domain names, so that others who customarily use a name to identify themselves can use a domain name for that purpose only with the permission of the defendants. Moreover, anyone who desires to use any of those 12,000 names for any purpose, other than as an e-mail address, is entirely precluded from doing so.

...

The court is extremely dubious that licensing domain names for use as e-mail addresses is defendants' true business.<sup>40</sup>

Even if speculators argued that registration of the domain name was related to some use, the courts would still find for the trademark owner if they are not convinced of the legitimacy of the use of the domain name. This was seen in the case of the infamous Dennis Toeppen, a speculator who registered <panavision.com> and filled it with pictures overlooking Pana, Illinois ("Pana Vision").<sup>41</sup> Panavision International L.P. sought a claim under Federal and California Anti-Dilution laws.<sup>42</sup> In this pre-UDRP Case, the California court found Toeppen's offer to sell the registration to the trademark owner suspect, and it did not put much value in Toeppen's argument that there was no dilution of trademark because the website's contents are clearly distinguishable from Panavision —

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39. *Avery Dennison Corporation v. Sumpton*, 999 F.Supp. 1338 (C.D. Cal. 1998) (U.S.).

40. *Id.* at 1341.

41. *Panavision International, L.P. v. Toeppen*, 141 F.3d 1316, 1319 (9th Cir. 1998) (U.S.).

42. *Id.*

Toeppen contends that a domain name is simply an address used to locate a web page. He asserts that entering a domain name on a computer allows a user to access a web page, but a domain name is not associated with information on a web page. If a user were to type <Panavision.com> as a domain name, the computer screen would display Toeppen's web page with aerial views of Pana, Illinois. The screen would not provide any information about 'Panavision,' other than a 'location window' which displays the domain name. Toeppen argues that a user who types in <Panavision.com>, but who sees no reference to the plaintiff Panavision on Toeppen's web page, is not likely to conclude the web page is related in any way to the plaintiff, Panavision.

Toeppen's argument misstates his use of the Panavision mark. His use is not as benign as he suggests. Toeppen's 'business' is to register trademarks as domain names and then sell them to the rightful trademark owners. He 'act[s] as a 'spoiler,' preventing Panavision and others from doing business on the Internet under their trademarked names unless they pay his fee.' This is a commercial use.

As the district court found, Toeppen traded on the value of Panavision's marks. So long as he held the Internet registrations, he curtailed Panavision's exploitation of the value of its trademarks on the Internet, a value which Toeppen then used when he attempted to sell the Panavision.com domain name to Panavision.<sup>43</sup>

In the U.S., the Anticybersquatting Consumer Protection Act (ACPA)<sup>44</sup> was passed, strengthening the federal trademark law.<sup>45</sup> Also, since the ICANN was in a unique position to address rising cybersquatting concerns, it undertook to craft a uniform set of rules separate from legislation which empowers trademark owners to seek redress against domain name abusers.<sup>46</sup> The result is the UDRP.<sup>47</sup>

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43. *Id.* at 1324-25.

44. Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125 (d).

45. Aaron Jay Horowitz, *U.S. Jurisdictional Monopolization of International Cybersquatting Disputes: A Review of Current Inequities and Future Consequences*, 11 J. TECH. L. & POL'Y 191, 194 (2006) (citing Elizabeth D. Lauzon, *Annotation, Validity, Construction, and Application of Anti-cybersquatting Consumer Protection Act*, 15 U.S.C.A. § 1125(d), 177 A.L.R. Fed. 1 (2003)).

46. Victoria Holstein-Childress, *Lex Cyberus: The UDRP as a Gatekeeper to Judicial Resolution of Competing Rights to Domain Names*, 109 PENN ST. L. REV. 565, 568 (2004).

47. *Id.*

Contract law has played a massive role to make the UDRP work. The domain name registration is designed such that a registrant executes a contract with the registrar upon assignment of a domain name. The registrar, in turn, has a contract with the registry which has its own contract with ICANN. By virtue of the web of contracts executed to make the domain name registration possible, ICANN was able to bind all interested parties to comply with going through UDRP administrative proceedings once a trademark owner alleges through a complaint that a registrant has engaged in cybersquatting. In its general information page, the ICANN provided the concept regarding the UDRP —

All registrars must follow the Uniform Domain-Name Dispute-Resolution Policy ... Under the policy, most types of trademark-based domain-name disputes must be resolved by agreement, court action, or arbitration before a registrar will cancel, suspend, or transfer a domain name. *Disputes alleged to arise from abusive registrations of domain names (for example cybersquatting) may be addressed by expedited administrative proceedings that the holder of trademark rights initiates by filing a complaint with an approved dispute-resolution service provider.*<sup>48</sup>

A registrant cannot claim that there was no consent given to the mandatory administrative proceedings because registration of a domain name presupposes consent to a “click-wrap” agreement.

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48. Internet Corporation for Assigned Names and Numbers, Uniform Domain-Name Dispute-Resolution Policy, *available at* <https://www.icann.org/resources/pages/help/dndr/udrp-en> (last accessed Feb. 29, 2020) (emphasis supplied). *See also* Collin County Community College District d/b/a Collin College v. Off Campus Books, Howard Hutton, Case No. D2011-0583, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2011-0583> (last accessed Feb. 29, 2020). The panel ruled that “[r]espondent agreed to submit to a Policy administrative proceeding in respect to the domain name it registered, and this agreement expressly confers jurisdiction on the Panel to decide this proceeding.” *Id.* ¶ 6 (A), para. 4.

The UDRP is available to the following TLDs: .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel, .travel, and new generic TLDs approved by ICANN. World Intellectual Property Organization, Domain Name Dispute Resolution Service for Generic Top-Level Domains, *available at* <https://www.wipo.int/amc/en/domains/gtld> (last accessed Feb. 29, 2020).

The WIPO serves as a dispute resolution service center for most of these TLDs, as well as domain names which are “country code” TLDs or “ccTLDs” such as .ph (Philippines), .ae (United Arab Emirates), .fr (France), and many others which have their own modified version of the UDRP. *Id.*

[One] may wonder how it is possible that the UDRP is legally binding on domain name registrants. The answer is, usually, through a click-wrap agreement. Most registrars inform anyone registering a new domain name that the registering a new domain name that the registration is subject to the UDRP. This typically occurs during the online domain name registration process, where new customers are required to indicate their acceptance of various terms and conditions relating to the domain name. If customers do not click to agree, registrars will not allow them to continue with the registration process and obtain their domain names ... [One has] no choice when registering most domain names: [one] must agree to the terms of the UDRP.<sup>49</sup>

A complaint is not resolved directly by ICANN. Instead, as mentioned on its general information page, ICANN has delegated the function of resolving the cases brought under the UDRP to six dispute resolution service providers, all which agreed to implement the UDRP.<sup>50</sup> The WIPO Arbitration and Mediation Center is the most utilized dispute resolution service center, with the Forum coming in second.<sup>51</sup>

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49. DOUG ISENBERG, THE GIGA LAW GUIDE TO INTERNET LAW: THE ONE-STOP LEGAL RESOURCE FOR CONDUCTING BUSINESS ONLINE 89-90 (2002).

50. These are the Arab Center for Domain Name Dispute Resolution, Asian Domain Name Dispute Resolution Centre, Canadian International Internet Dispute Resolution Centre (not yet operational), the Czech Arbitration Court Arbitration Center for Internet Disputes, National Arbitration Forum (now known as the Forum); and WIPO Arbitration and Mediation Center. International Corporation for Assigned Names and Numbers, List of Approved Dispute Resolution Service Providers, *available at* <https://www.icann.org/resources/pages/providers-6d-2012-02-25-en> (last accessed Feb. 29, 2020).

51. Letter from Nick Wood, Council Member, MARQUES, to Cherine Chalaby, Chairman, ICANN Board (Feb. 1, 2019), *available at* <https://www.icann.org/en/system/files/correspondence/wood-to-chalaby-01feb19-en.pdf> (last accessed Feb. 29, 2020).

The number of cases filed with WIPO as of December 2018 is 42,535. See Press Release by World Intellectual Property Organization, WIPO Cybersquatting Cases Grow by 12% to Reach New Record in 2018 (Mar. 15, 2019), *available at* [https://www.wipo.int/pressroom/en/articles/2019/article\\_0003.html](https://www.wipo.int/pressroom/en/articles/2019/article_0003.html) (last accessed Feb. 29, 2020). As of the writing of this Article, there are 27,680 cases with the Forum. Additionally, there are over 3,000 cases with WIPO in 2019 alone. See World Intellectual Property Organization, Total Number of Cases per Month for Year 2019, *available at* [https://www.wipo.int/amc/en/domains/statistics/cases\\_yr.jsp?year=2019](https://www.wipo.int/amc/en/domains/statistics/cases_yr.jsp?year=2019) (last accessed Feb. 29, 2020). This study mostly

These dispute resolution service centers or “Providers” are also bound to implement the Rules for Uniform Domain Name Dispute Resolution Policy (UDRP Rules) which operationalize the administrative proceedings.<sup>52</sup> Like the Rules of Court, the UDRP Rules provide for the procedure of the administrative case including the details for filing complaint and response, relevant time periods, notification, panel designation, among others. The dispute resolution service centers can publish their own rules that will supplement the UDRP Rules,<sup>53</sup> but, in case of conflict, the UDRP Rules prevail.

WIPO statistics show that, since the UDRP came into effect in 1999, 46,348 cases had been filed before it.<sup>54</sup> The U.S. leads in terms of the number of complainant<sup>55</sup> and respondent<sup>56</sup> countries (origin of parties). Six cases involved complainants (trademark owners) from the Philippines,<sup>57</sup> while 112 cases involved respondents (domain name registrants).<sup>58</sup> That there are more respondents than complainants in the Philippines suggest that

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relies upon WIPO cases because the WIPO dispute resolution service center has the most extensive number of cases.

52. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17.
53. *Id.* Under Section 1, Definitions of the UDRP Rules, “Supplemental Rules shall not be inconsistent with the Policy or these Rules and shall cover such topics as fees, word and page limits and guidelines, file size and format modalities, the means for communicating with the Provider and the Panel, and the form of cover sheets.” *Id.*
54. World Intellectual Property Organization, Total Number of Cases per Year, *available at* <https://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last accessed Feb. 29, 2020).
55. *See* World Intellectual Property Organization, Complainant Filing by Country: United States of America, *available at* [https://www.wipo.int/amc/en/domains/statistics/countries\\_yr.jsp?party=C&country\\_id=178](https://www.wipo.int/amc/en/domains/statistics/countries_yr.jsp?party=C&country_id=178) (last accessed Feb. 29, 2020).
56. *See* World Intellectual Property Organization, Respondent Filing by Country: United States of America, *available at* [https://www.wipo.int/amc/en/domains/statistics/countries\\_yr.jsp?party=R&country\\_id=178](https://www.wipo.int/amc/en/domains/statistics/countries_yr.jsp?party=R&country_id=178) (last accessed Feb. 29, 2020).
57. *See* World Intellectual Property Organization, Complainant Filing by Country: Philippines, *available at* [https://www.wipo.int/amc/en/domains/statistics/countries\\_yr.jsp?party=C&country\\_id=139](https://www.wipo.int/amc/en/domains/statistics/countries_yr.jsp?party=C&country_id=139) (last accessed Feb. 29, 2020).
58. *See* World Intellectual Property Organization, Respondent Filing by Country: Philippines, *available at* [https://www.wipo.int/amc/en/domains/statistics/countries\\_yr.jsp?party=R&country\\_id=139](https://www.wipo.int/amc/en/domains/statistics/countries_yr.jsp?party=R&country_id=139) (last accessed Feb. 29, 2020).

cybersquatting activities in the country affect trademarks primarily registered outside the Philippines or foreign brands such as Facebook, Watsons, Reebok, and Tinder referred to in the Introduction.

### III. THE UDRP: SCOPE, LIMITATION, AND INTERPLAY WITH COURTS

#### A. *How the UDRP Works*

The UDRP is a policy between the registrar and the registrant<sup>59</sup> “incorporated by reference ... [to the] Registration Agreement.”<sup>60</sup> By applying to register a domain name, a registrant warrants that:

- (1) the statements ... made in [the] Registration Agreement are complete and accurate;
- (2) to [the registrant’s] knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party;
- (3) [the registrant is] ... not registering the domain name for an unlawful purpose; and
- (4) [the registrant] will not knowingly use the domain name in violation of any applicable laws or regulations.<sup>61</sup>

These warranties have been used to hold registrants accountable in cybersquatting cases. These cases are triggered by a complaint of a trademark owner who must prove that all of the following are present to secure a favorable ruling:

- (1) [the] domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; [ ]
- (2) [the registrant has] no rights or legitimate interests in respect of the domain name; and
- (3) [the] domain name has been registered and is being used in bad faith.<sup>62</sup>

A complainant will likely assert that the registrant is in bad faith when it represented upon application that no third-party rights, laws, or regulations have been violated in registering the domain name when it should have been apparent that it is identical or confusingly similar to a complainant’s

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59. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17.

60. *Id.* § 1.

61. *Id.* § 2.

62. *Id.* § 4 (a).

trademark. The UDRP provides a non-exclusive list of evidence that registration and use of a domain name is in bad faith:

- (1) [C]ircumstances indicating that [the domain name has been] registered or acquired ... primarily for the purpose of ... transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of the complainant, for valuable consideration in excess of the registrant's documented out-of-pocket costs directly related to the domain name; or
- (2) [The domain name was] registered ... to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that the registrant has engaged in a pattern of such conduct; or
- (3) [The domain name was] registered ... primarily for the purpose of disrupting the business of a competitor; or
- (4) [B]y using the domain name, [the registrant has] intentionally attempted to attract, for commercial gain, Internet users to the registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of the registrant's web site or location or of a product or service on the registrant's web site or location.<sup>63</sup>

The first talks about the practice of domain name speculators of scooping up domain names to sell them for profit (although bad faith would not necessarily be inferred if the sale price was the same as the registration fee).<sup>64</sup>

The second potential indication of bad faith has a qualifier that "the registrant has engaged in a pattern of such conduct,"<sup>65</sup> for it is entirely possible that the registrant applied for a domain name which incidentally had the same name as a trademark owner (if the registrant also has some legitimate use over that name). To illustrate, assume that the trademark owners of Hapee (the toothpaste brand) and Happy (the diaper brand) were

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63. *Id.* § 4 (b).

64. TTS Tooltechnic Systems AG & Co. KG v. LAWRENCE RAY, THIS DOMAIN IS FOR SALE, Case No. D2019-0588, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/text/2019/d2019-0588.html> (last accessed Feb. 29, 2020). The attempt to sell a domain name at U.S.\$22,000 was seen by the panelist as a clear indicator of bad faith. *Id.*

65. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (b) (ii).

engaged in a dispute where the toothpaste brand was first to register a contested domain name.<sup>66</sup> The diaper brand owner would have to prove that the toothpaste brand owner registered the domain name to prevent the diaper brand from doing so — something unlikely because the toothpaste brand owner has its own business (of selling toothpaste) and will probably not have engaged in a pattern of reserving other domain names.

The third and fourth indicators regarding disrupting business relate to the registration of a domain name similar or similarly sounding to a competition's domain name (as in the example of the misspelled <ggoogle.com> or <gooogle.com>) or intended to capitalize on the brand recall (as in <fbcandy.com>), so that when users mistype a domain name, they will be redirected to the competitor's website instead thus benefiting from the actual trademark.<sup>67</sup>

One important thing to highlight is that a complainant can only seek very specific remedies of either a transfer or cancellation of the domain name using the UDRP.<sup>68</sup> A UDRP panel has no authority to grant any other remedy — “[t]he 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.”<sup>69</sup>

The complainant chooses the Provider<sup>70</sup> (like WIPO), which will notify the complainant, the respondent registrant, the concerned registrar, and ICANN of the date of commencement of the administrative proceeding.<sup>71</sup> The notice to the registrar is necessary to place the domain name on

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66. This is only illustrative. It is fictional.

67. There was no actual UDRP dispute. See *iVenture Solutions, Incorporated v. Earl Kelly*, Case No. D2019-1619, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/text/2019/d2019-1619.html> (last accessed Feb. 29, 2020). The panel found that the registrant was using the disputed domain name to divert internet users to the respondent's website by creating a likelihood of confusion with the complainant's mark. *Id.*

68. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (i).

69. *Id.*

70. *Id.* § 4 (d).

71. Internet Corporation for Assigned Names and Numbers, Rules for Uniform Domain Name Dispute Resolution Policy, § 4, available at <https://www.icann.org/resources/pages/udrp-rules-2015-03-11-en> (last accessed Feb. 29, 2020) [hereinafter ICANN, UDRP Rules].



“lock,”<sup>72</sup> which prevents the registrant from modifying any information to the domain name or from transferring of the domain name to evade the dispute. The registrant is then given a chance to file a response.<sup>73</sup> The UDRP indicates how a registrant can defend against a complainant and demonstrate legitimate rights and interest in the domain name, such as if:

- (1) the registrant “has been commonly known by the domain name[;]”<sup>74</sup>
- (2) its use relates to “bona fide offering of goods or services, identification[;]”<sup>75</sup> or
- (3) the registrant is “making a legitimate noncommercial or fair use of the domain ... [not geared towards diverting customers or tarnishing] the mark of the complainant.”<sup>76</sup>

If the registrant is able to prove a legitimate right or interest in the domain name, then the complainant will not be able to tick off all of the three things which must be proven to win the case.<sup>77</sup> Specifically, it will be difficult to establish the argument that the registrant was in bad faith in registering the domain name.

The UDRP panel may consist of one or three persons.<sup>78</sup> It forwards its decision to the Provider within 14 days of the panel’s appointment.<sup>79</sup> Although extensions may be granted, the panel is instructed to ensure that

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72. *Id.* § 1. A lock is defined as “a set of measures that a registrar applies to a domain name, which prevents at a minimum any modification to the registrant and registrar information by the Respondent, but does not affect the resolution of the domain name or the renewal of the domain name.” *Id.*

73. *Id.* § 5.

74. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (c) (i).

75. *Id.* § 4 (c) (ii).

76. *Id.* § 4 (c) (iii).

77. *Id.* § 4 (a).

78. ICANN, UDRP Rules, *supra* note 71, § 3 (b) (iv.). The complaint shall “[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[.]” *Id.*

79. *Id.* § 15 (b).

the proceedings are resolved expeditiously.<sup>80</sup> The process is extremely efficient and enforcement is relatively easy because the concerned registrar is informed of the decision within a short time frame —

Within three [ ] business days after receiving the decision from the Panel, the Provider shall communicate the full text of the decision to each Party, the concerned Registrar(s), and ICANN. The concerned Registrar(s) shall within three [ ] business days of receiving the decision from the Provider communicate to each Party, the Provider, and ICANN the date for the implementation of the decision in accordance with the Policy.<sup>81</sup>

The fees are also predictable because they are standardized and published.<sup>82</sup> For UDRP complaints involving up to five domain names, a single panelist's fees would be U.S.\$1,500.00 and three-member panels shall cost U.S.\$4,000.00.<sup>83</sup> If there are six to ten domain names in the complaint, a single panelist's fees would be U.S.\$2,000.00, and three-member panels shall cost U.S.\$5,000.00.<sup>84</sup> The UDRP has been the preferred method of addressing cybersquatting complaints for trademark owners because of its expediency —

The UDRP is usually much faster and less expensive than filing and pursuing a law suit and, for trademark owners, is often the preferable way of proceeding against a stubborn domain name registrant. ... UDRP proceedings do not entail follow-up legal briefs and motions, depositions, or courtroom hearings. And unlike federal lawsuits, which can drag on for years, many UDRP proceedings are often resolved in a few months or less.<sup>85</sup>

### *B. Process with the Registrar in Case of Simultaneous Court Proceedings*

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80. *Id.* § 10 (c). This Section provides that “[t]he Panel shall ensure that the administrative proceeding takes place with due expedition. It may, at the request of a Party or on its own motion, extend, in exceptional cases, a period of time fixed by these Rules or by the Panel.” *Id.*

81. *Id.* § 16 (a).

82. See World Intellectual Property Organization, Schedule of Fees under the UDRP (valid as December 1, 2002), available at <https://www.wipo.int/amc/en/domains/fees> (last accessed Feb. 29, 2020).

83. *Id.*

84. *Id.*

85. ISENBERG, *supra* note 49, at 90.

Any panel decision on a UDRP complaint is not binding upon courts.<sup>86</sup> It is acknowledged in the text of the UDRP that a registrant can seek judicial remedies before, during, or after a UDRP complaint is decided, or indeed even before one is filed.<sup>87</sup> The WIPO's Jurisprudential Guidelines 3.0 (WIPO Guidelines) on domain name disputes state that courts of law will review the facts and evidence of the parties *de novo*.<sup>88</sup>

A UDRP proceeding is independent of judicial proceedings and vice versa. Indeed, the two can have different outcomes.<sup>89</sup> The UDRP is only

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86. World Intellectual Property Organization, WIPO Overview of WIPO Panel Views on Selected UDRP Questions ¶ 4.14.4, *available at* <https://www.wipo.int/export/sites/www/amc/en/docs/overview3.pdf> (last accessed Feb. 29, 2020) [hereinafter WIPO, WIPO Overview 3.0].

87. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (k).

88. WIPO, WIPO Overview 3.0, *supra* note 86. The provision states —

It is widely recognized that national courts are not bound by UDRP panel decisions. Where a domain name which has been the subject of a UDRP panel decision becomes subject to a national court proceeding (whether by a respondent pursuant to UDRP paragraph 4(k), or otherwise), such court case is generally acknowledged to represent a *de novo* hearing of the case under national law.

*Id.*

89. Russell Specialties Corporation v. Media Image, Inc., Casual Day.Com, and Rodney Williams, Case No. D2002-0322, Administrative Panel Decision, ¶ 6 (A), *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0322.html> (last accessed Feb. 29, 2020) & Masco Corporation v. Giovanni Laporta, Case No.D2015-0468, Administrative Panel Decision, ¶ 6 (D), *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2015-0468> (last accessed Feb. 29, 2020). The panelist stated —

[W]hatever may be the general precedential effect of the Arizona District Court Declaratory Judgment as a matter of [U.S.] law, it is not precedent binding on this Panel. This Panel may take into account decisions of [U.S.] courts ... relating to domain names and trademarks when assessing disputes regarding parties based in the [U.S.]. Nonetheless, there are circumstances where this Panel has disagreed with a line of reasoning adopted by a [U.S.] District Court[.]

*Id.*

designed to address cybersquatting issues.<sup>90</sup> It is not meant to resolve all types of situations dealing with domain names. A separate cause of action may exist between the complainant and the respondent in a UDRP case, and they can pursue available remedies afforded to them under some other law or regulation. Take the example of a complainant and a registrant-respondent who have a contract between them to distribute and sell toothpaste and whose common undertaking is the creation of a website where customers can purchase their product. If the domain name was registered in their business name and the complainant designed the webpage while the respondent managed it, then it is not difficult to imagine that both have a stake on the website. If later, their business relationship goes sour, the question of ownership of the domain name is only one of the many questions to be resolved. The UDRP is hardly the instrument which can address the termination of contract, winding down of business, distribution of assets, which will only incidentally include the domain name.<sup>91</sup> This does not mean that the panel will automatically refuse to decide because the panel has discretion in determining how to proceed.<sup>92</sup> Should the domain name issue be capable of being separated despite hotly contested facts, the panel is

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90. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (i). See *CCTV Outlet, Corp. v. Moises Faroy*, Case No. D2015-0682, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2015-0682> (last accessed Feb. 29, 2020). The panel stated that it is not a general domain name court, but it is instead tasked only with deciding whether the registrant has engaged in abusive cybersquatting. *Id.* ¶ 6 (B).

91. See *Jason Crouch and Virginia McNeill v. Clement Stein*, Case No. D2005-1201, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2005/d2005-1201.html> (last accessed Feb. 29, 2020). In that case, the panel held that “the dispute concerning the domain names is part of and ancillary to much larger disputes involving questions of contractual obligations, fiduciary duties, and tortious conduct[;] it would be inappropriate to use the UDRP to attempt to carve out and resolve the relatively minor, but interconnected, domain name dispute.” *Id.* ¶ 6.

See also *Roger Martin v. Sandra Blevins, Social Design*, Case No. D2016-0181, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2016-0181> (last accessed Feb. 29, 2020). The complaint was terminated because complainant asked the panel to rule on issues which related to commercial and family law and which are beyond the cybersquatting question. *Id.* ¶ 6 (c).

92. ICANN, UDRP Rules, *supra* note 71, § 18.

not precluded and is duty-bound to resolve the complaint.<sup>93</sup> All other issues ought to be resolved by some other means.<sup>94</sup>

The administrative proceeding, though mandatory, shall not prevent the complainant or the respondent–registrant from submitting the dispute before a court.<sup>95</sup> This can be filed before a UDRP case has commenced or after it has concluded.<sup>96</sup> If the registrar receives notice within the proper period that a lawsuit has been commenced, it will not implement a panel’s decision to transfer or cancel the domain name subject of the decision until the registrar receives notice that the case has been resolved, dismissed, or withdrawn.<sup>97</sup> The relevant provision of the UDRP states —

The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel’s decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file–stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3 (b) (xiii) of the Rules of Procedure. (In general, that jurisdiction is either the location of our principal office or of your address as shown in our Whois database. ...) If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel’s decision, and we will take no further action, until we receive[:] (i) evidence satisfactory to us of a

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93. *CCTV Outlet, Corp.*, Case No. D2015–0682. In a case dealing with a domain name dispute between business partners, the Respondent argued that the panel ought to terminate the case because of hotly contested facts which should be litigated in a different forum. The panel held that it “must disregard disputes that are outside of the allegations of cybersquatting and instead focus on whether, as part of the parties’ business dispute, the Respondent is guilty of abusive cybersquatting.” *Id.* ¶ 6 (B).

94. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 5.

95. *Id.* § 4 (k).

96. *Id.*

97. *Id.*

resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.<sup>98</sup>

As such, within the proper period, a registrant can allege legitimate claims over the domain name before a court of law and this has the effect of tolling the execution of the UDRP decision if the registrar is informed during the proper period as stated above.<sup>99</sup>

A complainant may also seek a UDRP case after litigation. In *Russell Specialties Corporation v. Media Image, Inc., etc.*,<sup>100</sup> a complainant, who had been successful before a court of law, sought a UDRP case because the complainant made a procedural blunder and omitted asking the court to transfer the domain names to its name.<sup>101</sup> Since the court cannot grant this remedy as it was not sought, the UDRP panel instead saw to granting that relief in the appropriate proceeding.<sup>102</sup>

### *C. Administrative Panel Actions Regarding Pending Court Proceedings*

#### I. UDRP Rules

A panel has some discretion if either the complainant or respondent initiates court proceedings that coincide with the pendency of the administrative case.<sup>103</sup> The panel may suspend, terminate, or proceed in rendering a decision

[i]n the event of any legal proceedings initiated prior to or during an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, the Panel shall have the discretion to *decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision*[.]<sup>104</sup>

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98. *Id.*

99. *Id.*

100. *Russell Specialties Corporation v. Media Image, Inc., Casual Day.Com, and Rodney Williams*, Case No. D2002-0322, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0322.html> (last accessed Feb. 29, 2020).

101. *Id.* ¶ 4.

102. *Id.* ¶ 6 (C).

103. ICANN, UDRP Rules, *supra* note 71, § 18.

104. *Id.* § 18 (a) (emphasis supplied).

The legal proceeding must be “in respect of a domain-name dispute that is the subject of a complaint[.]”<sup>105</sup> It is not just any legal proceeding involving the parties, but only that which specifically implicates the domain name subject of the complaint.<sup>106</sup>

Often, the option of suspension<sup>107</sup> is a non-choice largely because suspension will only allow for an indefinite delay, the timeframe of which would likely be tied to the proceedings of the court and maybe even the appeals process.<sup>108</sup> This possibility of delay is not in line with the efficiency envisioned for the UDRP cases and would also place the domain name on a “lock” status indefinitely.<sup>109</sup> The WIPO discourages a suspension and would opt for either terminating the case or deciding it on the merits.<sup>110</sup>

It is common for panels to resolve cases even if there is a pending judicial proceeding.<sup>111</sup> While there is some reluctance in deciding an issue that might be similarly an issue elsewhere, the panel may see it fit to decide

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105. *Id.*

106. *Id.*

107. *Id.* § 17.

108. Galley, Inc. v. Pride Marketing & Procurement / Richard’s Restaurant Supply, Inc., Case No. D2008-1285, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2008/d2008-1285.html> (last accessed Feb. 29, 2020). The Panel ruled —

The Panel unanimously considers that suspension of this case is not appropriate. It might be appropriate to exercise that discretion, for example, in circumstances where there is a near and certain date for a court determination. But that is not the case here. A suspension would potentially leave this proceeding unresolved for a long and indefinite period. As a technical matter, it would also leave the disputed domain name on ‘lock’ status during that period. Considering these matters, and the intent of the Policy to provide a simple and expeditious remedy, the Panel considers that suspension would be inappropriate. The discretion is accordingly to be determined between proceeding to a decision on the merits or terminating the proceedings.

*Id.* ¶ 6 (A). *See also* SDT International limited company v. Telepathy, Inc., Case No. D2014-1870, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2014-1870> (last accessed Feb. 29, 2020). The panel stated that “[s]uspension could lead to extensive delays depending upon the course that the litigation takes.” *Id.* ¶ 6.

109. *Id.*

110. *Id.*

111. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.14.2.

upon the complaint acknowledging that the parties are not precluded from seeking judicial recourse anyway.<sup>112</sup> As such, a panel is not automatically dissuaded from resolving the UDRP complaint on the merits.<sup>113</sup> A contrary rule would allow respondents to circumvent a UDRP proceeding and obliterate its effectiveness simply by filing a simultaneous case elsewhere.<sup>114</sup>

A panel, however, may sometimes terminate a case because it found that the issues confronting the parties are much bigger or complex compared to cybersquatting, much like in the given example of the toothpaste sellers — “[p]anels have tended to deny the case not on the UDRP merits but on the narrow grounds that the dispute between the parties exceeds the relatively limited ‘cybersquatting’ scope of the UDRP, and would be more appropriately addressed by a court of competent jurisdiction.”<sup>115</sup>

In cases where there has already been a resolution before a court which came ahead of the panel’s decision, the panel is not bound to arrive at the same ruling (although it may consider the decision of the court depending on the circumstances).<sup>116</sup> It is not an appellate court which reviews the proceedings before the court.<sup>117</sup>

## 2. Trends in Panel Decisions when Confronted with Prior or Concurrent Judicial Proceedings

The direction with which a panel will exercise its discretion to suspend, resolve, or terminate the UDRP proceedings can be anticipated at times when the facts of the case readily lend themselves to a clear decision. At the basic level, a panel determines whether the parties in the UDRP case are also

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112. *Galley, Inc.*, Case No. D2008-1285, ¶ 6 (A). The panel state that “doing so does not prevent either party, if dissatisfied with the result, from continuing to seek relief in court.” *Id.*

113. *Id.*

114. *Tiara Hotels & Resorts LLC v. John Pepin*, Case No. D2009-0041, Administrative Panel Decision, ¶ 3 (B)-(C), available at <https://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0041.html> (last accessed Feb. 29, 2020).

115. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.14.6.

116. *See* WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.15. “Particularly, where national trademark office proceedings between the parties have occurred or are pending, panels will normally consider the relevance of such proceedings to assessment of the case merits[.]” *Id.*

117. *Russell Specialties Corporation v. Media Image Inc.*, Case No. D2002-0322, ¶ 6 (A).



the parties in the judicial proceedings claimed to be pending simultaneous with the administrative proceedings.<sup>118</sup> The panel also evaluates if there are overlapping interests in relation to the domain name or whether the domain name is also the object of the court proceedings.<sup>119</sup> If these two are not present, then the panel will not hesitate to proceed with deciding the administrative proceedings on the merits. Again, the pending court case must be “in respect of a domain name subject of a complaint[.]”<sup>120</sup> As such, in a complaint involving <nimm2.com>, the panel proceeded with resolving the complaint despite a claim that a court in Hamburg issued interim orders against an internet provider which provides the server for <nimm2.com>, given that the interim order was not sought against the domain name registrant and the case did not have anything to do with the domain name.<sup>121</sup>

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118. AXA SA v. Damon Nelson, Quantec, LLC / Novo Point LLC, Case No. D2015-0286, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2015-0286> (last accessed Feb. 29, 2020). The panel received incomplete documents regarding the purported U.S. case. *Id.* ¶ 4.

119. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 2.1.

120. ICANN, UDRP Rules, *supra* note 71, § 18. *See AXA SA*, Case No. D2015-0286. It was not clear to the panel if the same domain name is subject of the litigation. *Id.* ¶ 6 (D).

121. August Storck KG v. Origan Firmware, Case No. D2000-0576, Administrative Panel Decision, *available at* <https://www.wipo.int/amc/en/domains/decisions/html/2000/d2000-0576.html> (last accessed Feb. 29, 2020). The court said —

[T]he Panelist does not consider that the existence of the interim orders or of ordinary proceedings initiated to obtain the confirmation of such orders would justify a suspension or termination of the administrative proceeding. Indeed, *Respondent was not a party to the provisional proceedings initiated by Complainant, and the object of such proceedings was not the status (cancellation or transfer) of the domain name, but only its support by third parties. Therefore, the Panelist shall proceed to a decision on the administrative proceeding regardless of the outcome of the proceedings[.]*

*Id.* ¶ 6 (A) (emphasis supplied).

*See also* Collin County Community College District d/b/a Collin College v. Off Campus Books, Howard Hutton, Case No. D2011-0583, Administrative Panel Decision, ¶ 6 (B), *available at* <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2011-0583> (last accessed Feb. 29, 2020) (where the panel

Sometimes, however, the simultaneous proceedings are related, and both may squarely deal with cybersquatting. The question in anticipating what a panel may do, at least for these close calls, will instead revolve around the motivations behind or reasoning why it will continue on deciding the complaint based on the merits, despite the probability that the UDRP proceedings will be rendered superfluous by court proceedings.

*a. The Galley Case and the Developments Thereafter*

*Galley, Inc. v. Pride Marketing & Procurement*<sup>122</sup> dealt with the question of whether a panel should suspend, terminate, or decide the complaint in view of a pending litigation. Its subject is the domain name <galley.com>.<sup>123</sup> The complainant, a manufacturer of cafeteria serving modules, owns the trademark to “GALLEY.”<sup>124</sup> It sought to transfer the domain name which was registered by the respondent, a distributor of restaurant and food serving equipment that provides discounted prices to members.<sup>125</sup> The complainant was a former member of the respondent until a dispute arose between them.<sup>126</sup> The complainant sought a UDRP case, while the respondent filed a declaratory relief case, seeking a ruling that it did not violate complainant’s rights under the ACPA.<sup>127</sup> Thus, the case before the court is in respect to the domain name of the registrant. Regardless of this detail, the panel proceeded to resolve on the merits and denied the complaint. It enumerated trends in adjudication from other UDRP cases —

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proceeded to resolve the case on the merits because the case pending before the court only marginally affects the disputed domain name) & Rediff.com India Ltd. v. Contact Privacy Inc. Customer / zhijun shen, Case No. DCO2012-0016, Administrative Panel Decision, *Id.* ¶ 6 (6.1), available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=DCO2012-0016> (last accessed Feb. 29, 2020).

122. *Galley, Inc. v. Pride Marketing & Procurement / Richard’s Restaurant Supply, Inc.*, Case No. D2008-1285, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2008/d2008-1285.html> (last accessed Feb. 29, 2020).

123. *Id.* ¶ 2.

124. *Id.* ¶ 5 (A).

125. *Id.* ¶ 4.

126. *Id.*

127. *Id.* ¶ 3.

[O]ther panels have frequently exercised the discretion ... to *proceed to a decision* despite concurrent or prior court proceedings [because] ... doing so does not prevent either party, if dissatisfied with the result, from continuing to seek relief in court.

...

[Some] ... Panel[s] ... *issue[d] a decision* [because] the concurrent court proceedings related to matters different to those which were the subject of the complaint.

[Some] Panel[s] ... *proceeded to issue a decision* despite concurrent court proceedings[ ] because the remedy sought in the court proceeding was different to that sought in the administrative proceeding.

[Some] Panel[s] ... *proceeded to a decision* where both the concurrent court proceeding and the administrative proceeding dealt with similar issues about the ownership or use of disputed domain names ... [because the administrative proceeding under the UDRP] concerns only control of the domain name, not any of the other remedies at issue in litigation.

[Some] Panel[s] *proceeded to a decision (to deny the complaint)* ... [without prejudice] where the dispute between the parties was broader and more complex than a dispute concerning domain names.<sup>128</sup>

Of the five mentioned, only the fifth situation provides an instance where panels denied without prejudice. Under this enumeration, a WIPO panel will generally resolve the complaint on the merits (to deny or grant relief) despite a pending controversy elsewhere. *Galley* confirms the narrow ground for denying a complaint in Clause 4.14.6. of the WIPO Guidelines, that is, “the dispute between the parties exceeds the relatively limited ‘cybersquatting’ scope of the UDRP[.]”<sup>129</sup> In other words, if the UDRP complaint and the case simultaneous to it, both squarely deal with cybersquatting, then the panel will still resolve the case regardless of the pendency of the court proceedings. However, if the issue before the court is broader than mere domain name squatting, then the panel will likely dismiss the complaint without prejudice.

The rough guidepost as enumerated in *Galley* is helpful in predicting what a panel would do.<sup>130</sup> The catch is that, in *Galley*, the panel decided the

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128. *Galley, Inc.*, Case No. D2008-1285, ¶ 6 (A) (emphases supplied).

129. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.14.6.

130. See *OLX, B.V. v. Abdul Ahad / Domains By Proxy, LLC*, Case No. D2015-0271, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2015-0271> (last accessed Feb. 29, 2020). In this

case on the merits, despite the presence of broader issues before the court, reasoning that the broader issues are relevant to the determination of whether the complainant can establish all the elements needed in an administrative case —

In this case, the Respondent's court filing seeks declaratory relief, including relief from the Complainant's original claims of cybersquatting under the Anti Cybersquatting Consumer Protection Act. To that extent, the court action is similar to the nature of an action under the Policy which also concerns claims of cybersquatting. The court action filed by the Respondent is also broader, as it additionally seeks a declaration against the Complainant's earlier claims of infringement and dilution of the Complainant's trademark. The majority considers that the nature of the broader dispute between the parties in this case is, however, relevant to the merits of the Complaint, rather than a procedural matter. That is because the complexity of the broader dispute between the parties weighs against a finding that the Complainant can meet its burden of proof, at least in relation to the second and third elements of the Policy.<sup>131</sup>

In the end, the panel found no bad faith on the part of the registrant because the case before the court had complex facts and issues which a judge will be able to evaluate by virtue of a full-blown trial.<sup>132</sup> To find no bad faith based on the fact that it has yet to be determined in court leaves a bitter aftertaste however. Thus, in *Galley*, the panel was successful in part having enumerated a bright line rule, but, at the same time, it was confused in part because it did not follow its own enumeration by deciding the case on the merits despite the existence of issues broader than the cybersquatting allegation. In doing so, the panel may have inadvertently foreclosed any action of the complainant to seek a UDRP case after the court proceedings terminate. Indeed, Peter L. Michaelson, the presiding panelist in *Galley*,

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case, the panelist applied the *Galley* case enumeration and held that a pending case in Pakistan has not reached a decision in response to the registrant's initiation of a civil complaint tangentially related to the domain name. Thus, it proceeded to decide the case on the merits. *Id.*

131. *Galley, Inc.*, Case No. D2008-1285, ¶ 6 (A).

132. *Id.* ¶ 6 (E). See also *Aussie Car Loans Pty Ltd v. Wilson Accountants Pty Ltd*, (formerly *Wilson and Wilson Accountants*), Case No. D2008-1477, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2008/d2008-1477.html> (last accessed Feb. 29, 2020). The panel terminated the case and ruled that “the Panel, unlike the court, is confined to a consideration of the written material submitted by the parties and cannot have the benefit of hearing witnesses examined and cross examined on oath.” *Id.*

found no use for rendering a decision on the merits and dissented on the ground that the panel does not enjoy the same power as a national court and that the decision will needlessly inject an added complication to the court proceedings.<sup>133</sup>

Panels seem to be somewhat less confused after *Galley*. In *DNA (Housemarks) Limited v. Tucows.com Co.*,<sup>134</sup> the panel ruled that given the complex issues exceeding cybersquatting are raised before another proceeding before an Ontario court, a decision in the administrative case will not advance the final resolution of the case, especially considering that the registrar will be unmoved to enforce the decision until litigation terminates

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The Panel sympathizes with Complainant's desire to determine entitlement to the disputed domain name as promptly as possible. But a *Panel decision on the merits (whether ordering transfer or denying the Complaint) will not advance final resolution of that question* by even one hour, assuming that Respondent continues to pursue its Declaratory Judgment Action, and the Registrar refuses to implement the Panel's decision on that basis. The Registrar has already advised the Center and the parties that it will not take action with respect to the disputed domain name until that action is resolved exactly as it would have done had an unsuccessful Respondent commenced an appropriate court action within ten business days after a Panel decision and exactly as prescribed by paragraph 4 (k) of the Rules. The Panel fails to see how any decision can expedite matters.<sup>135</sup>

Perhaps as a vindication of Michaelson's dissent in *Galley*, the panel in *Yellow Pages Group Co. / Groupe Pages Jaunes Cie. v. Thomas Moll / Yellow Page Marketing B.V.*<sup>136</sup> terminated the case at the request of the registrant because the resolution in two other proceedings would undercut the determination in the administrative case.<sup>137</sup> Here, the complainant, a telephone directory publisher in Canada, sought the transfer of the disputed domain names which are different permutations of <yellowpage-

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133. *Galley, Inc.*, Case No. D2008-1285 (Peter L. Michaelson, dissenting).

134. *DNA (Housemarks) Limited v. Tucows.com Co.*, Case No. D2009-0367, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0367.html> (last accessed Feb. 29, 2020).

135. *Id.* ¶ 6, para. 13.

136. *Yellow Pages Group Co. / Groupe Pages Jaunes Cie. v. Thomas Moll / Yellow Page Marketing B.V.*, Case No. D2011-1833, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2011-1833> (last accessed Feb. 29, 2020).

137. *Id.* ¶ 6 (C).

group.com>, alleging that it owns the mark “Yellow Pages.”<sup>138</sup> At the same time, the parties in the case were involved in litigation where the primary issue was whether the term “yellow pages” was already generic in Canada.<sup>139</sup> If the term was considered generic, then it was not susceptible to a trademark registration. Should it not be capable of trademark registration, then it was in the public domain, and the complainant did not have exclusive right to use the word “yellow pages” for its business. Finding this wrinkle material to the resolution of the cybersquatting case, the panel terminated the UDRP proceedings without prejudice.<sup>140</sup>

In a more recent case, a panel loosely used the term “legitimate action” for proceedings whose issues are the same with or implicate the resolution in the administrative case.<sup>141</sup> In *SDT International limited company v. Telepathy*,<sup>142</sup> the panel terminated the proceedings because the core issues in the ongoing case before the District Court of Columbia is at the very heart of the administrative proceedings.<sup>143</sup> From the case development after *Galley*, it can be seen that panels have at least untangled themselves from the circular reasoning that attended that decision.

*b. Rendering Unsolicited Help to Courts*

An administrative panel may be highly motivated by a desire to help the court or the parties in resolving the dispute. In *Tiara Hotels & Resorts LLC v. John Pepin*,<sup>144</sup> the WIPO panel was informed that after the filing of the UDRP complaint, the respondent lodged a concurrent proceeding before a Berlin Court where the respondent sought a declaration that complainant had no rights to the domain name.<sup>145</sup> The panel decided to rule on the complaint in favor of transferring <essque.com> to the complainant, reasoning that while the panel’s decision is not binding on the court, it may

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138. *Id.* ¶ 2.

139. *Id.* ¶ 4, para. 23.

140. *Id.* ¶ 6 (c).

141. *SDT International limited company v. Telepathy, Inc.*, Case No. D2014-1870, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/search/text.jsp?case=D2014-1870> (last accessed Feb. 29, 2020).

142. *Id.*

143. *Id.* ¶ 6.

144. *Tiara Hotels & Resorts LLC v. John Pepin*, Case No. D2009-0041, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0041.html> (last accessed Feb. 29, 2020).

145. *Id.* ¶ 3, para. 4.

be helpful in resolving the case or in reaching a settlement between the parties.<sup>146</sup> The panel also had this to say —

[T]he Policy contemplates situations under which a Panel decision may be implemented even after a Court action has been filed, including if the Court action is later dismissed or if Respondent fails to provide a file-stamped copy of the complaint to the Registrar within ten days. Policy, paragraph 4 (k). Accordingly, *to ensure that the parties have a Panel decision to implement should any of those circumstances transpire, it would be appropriate for the Panel to issue its decision.*<sup>147</sup>

Though seemingly overzealous in tenor to anticipate that the panel decision might be the only decision enforceable between the parties, such a determination is consistent with the nature of UDRP administrative proceedings as independent of any other. Also, panels may also be persuaded of certain contextual details such as the efficiency of the judicial system which confronts the concurrent case —

In India, *the courts take [a] long time to decide a dispute. ... [T]he Complainants have already filed a complaint before the Center and had paid the requisite fees. The Respondent has filed the response. The Administrative Panel has been appointed. The decision making process of the Center is quite fast. Further, Paragraph 4 (k) of the Policy clearly provides that any party aggrieved by the decision of an Administrative Panel can go to a court. Considering all these aspects, the Administrative Panel, in exercise of the discretion vested in it under Rule 18 of the Rules, decides to proceed to a decision.*<sup>148</sup>

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146. *Id.* ¶ 3 (D), para. 4. The panel said —

In fact, the Court would not even review this decision in an appellate capacity but instead would decide, *de novo*, under appropriate national laws, which party is entitled to registration of the Domain Name. Nevertheless, the Court may find this Panel's views helpful. Especially since the parties have already submitted this dispute to the Panel for decision, and in this case the Panel already had reviewed the file and reached its conclusions prior to being informed of the newly-filed Court case, it seems both appropriate and efficient for the Panel to render its decision, and allow the Court to decide whether the decision adds anything to its determination.

*Id.*

147. *Id.* ¶ 3 (D), para. 5 (emphasis supplied).

148. AB SKF and SKF Bearings India Limited v. Vikas Pagaria, Case No. D2001-0867, Administrative Panel Decision, ¶ 7.4, available at <https://www.wipo.int/amc/en/>

Still, however, aiding courts in deciding a case is not quite universal. After the *Tiara Hotels* case, the panel in *DNA (Housemarks)* ruled that, when complex issues attend and exceed the cybersquatting claims, the panel will “not presume to advise a judge who is duly authorized to resolve this matter.”<sup>149</sup>

It would thus appear that panels can still go both ways when a party argues in favor of *aiding* a court in deciding. A panel may desire to help the court since the judge is free to consider the panel’s findings. In the same respect, because courts can choose to put no weight on the UDRP proceedings, a panel can also be minded not to extend the *help* sought. Based on *DNA (Housemarks)*, a panel’s decision to help and thus resolve a case on the merits will depend on the complexity of issues raised in the other proceedings. If the proceedings in the court appear to have more complex facts and issues which are determinative of the elements in a UDRP case, then it is likely that the panel will defer to the benefit afforded by a full-blown trial. As such, in predicting whether a panel will be “helpful” to the court, one can trace the guidepost in *Galley* and evaluate whether the situation falls in the first four scenarios, wherein a panel will likely decide on the merits, or within the fifth scenario, where a panel will likely dismiss without prejudice.

#### *D. Treatment of U.S. Courts*

Courts behave differently compared to UDRP panels. In the early case of *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona*,<sup>150</sup> a U.S. court famously called the UDRP proceedings as mere “adjudication lite” owing to its expedited procedure.<sup>151</sup> This established the attitude with which U.S. courts treated UDRP proceedings. In *Barcelona.com*, a U.S. corporation sought an action for declaratory relief under the Anti Cybersquatting Consumer Protection Act (ACPA) against the City Council of Barcelona, Spain, claiming that the domain name <barcelona.com> was lawfully registered.<sup>152</sup> Prior to that, the City Council filed a UDRP complaint before the WIPO and was able to secure a ruling that the corporation’s registration

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domains/decisions/html/2001/d2001-0867.html (last accessed Feb. 29, 2020) (emphases supplied).

149. *DNA (Housemarks) Limited*, Case No. D2009-0367, ¶ 6, para. 4.

150. *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento de Barcelona*, 330 F.3d 617 (4th Cir. 2003) (U.S.).

151. *Id.* at 624.

152. *Id.* at 619.



was made in bad faith.<sup>153</sup> The District Court denied the request for declaratory judgment,<sup>154</sup> but the Court of Appeals sided with the registrant.<sup>155</sup> It ruled that, while the ACPA was meant to curb cybersquatting, it also allowed aggrieved registrants to seek a claim, including transfer or reactivation of the disputed domain names, against overreaching trademark owners.<sup>156</sup> To be able to do this, the aggrieved registrant must allege that there has been a reverse domain name hijacking which the Barcelona court describes as “an action to declare that the domain name registration or use by the registrant is not unlawful” under the ACPA.<sup>157</sup> The case further provides that

*[b]ecause the administrative process prescribed by the UDRP is ‘adjudication lite’ as a result of its streamlined nature and its loose rules regarding applicable law, the UDRP itself contemplates judicial intervention, which can occur before, during, or after the UDRP’s dispute-resolution process is invoked. ... As ICANN recognized in designing the UDRP, allowing recourse to full-blown adjudication under a particular nation’s law is necessary to prevent abuse of the UDRP process.*

...

*Although the ACPA was enacted primarily to redress cyberpiracy or ‘cybersquatting,’ it also provides limited liability for trademark infringement by registrars who participate in the administration of the registration, transfer, and cancellation of domain names pursuant to a ‘reasonable policy’ that is consistent with the purposes of the trademark laws. And to balance the rights given to trademark owners against cybersquatters, the ACPA also provides some protection to domain name registrants against ‘overreaching trademark owners.’ Thus, [Section] 1114 (2) (D) (v) authorizes a domain name registrant to sue trademark owners for ‘reverse domain name hijacking.’ Under that reverse domain name hijacking provision, a domain name registrant who is aggrieved by an overreaching trademark owner may commence an action to declare that the domain name registration or use by the registrant is not unlawful ... [T]he court may ‘grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.’<sup>158</sup>*

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153. *Id.* at 621.

154. *Id.* at 621–22.

155. *Id.* at 623.

156. *Barcelona.com, Inc.*, 330 F.3d, at 625.

157. *Id.*

158. *Id.* at 624–25 (emphases supplied).

Ruling that the court had jurisdiction over the dispute, the Fourth Circuit Court of Appeals stated that the UDRP proceedings are only relevant to the court under the ACPA in two scenarios:

- (1) when it “limits the liability of the registrar in ... [facilitating the registration of the] domain name ... , [following] a reasonable policy ... ; [and]”<sup>159</sup>
- (2) when it serves as the trigger point (cause of action) with which an aggrieved registrant may file an action under ACPA.<sup>160</sup>

Once the registrant seeks a claim under ACPA, the court will decide independently pursuant to the text of the ACPA, from which its jurisdiction emanates —

*The ACPA recognizes the UDRP only insofar as it constitutes a part of a policy followed by registrars in administering domain names, and the UDRP is relevant to actions brought under the ACPA in two contexts. First, the ACPA limits the liability of a registrar in respect to registering, transferring, disabling, or cancelling a domain name if it is done in the ‘implementation of a reasonable policy’ (including the UDRP) that prohibits registration of a domain name ‘identical to, confusingly similar to, or dilutive of another’s mark.’ Second, the ACPA authorizes a suit by a domain name registrant whose domain name has been suspended, disabled or transferred under that reasonable policy (including the UDRP) to seek a declaration that the registrant’s registration and use of the domain name involves no violation of the Lanham Act as well as an injunction returning the domain name.*

Thus, while a decision by an ICANN-recognized panel might be a condition of, indeed the reason for, bringing an action under 15 U.S.C. § 1114 (2) (D) (v), its recognition vel non is not jurisdictional. Jurisdiction to hear trademark matters is conferred on federal courts by 28 U.S.C. §§ 1331 and 1338, and a claim brought under the ACPA, which amended the Lanham Act, is a trademark matter over which federal courts have subject matter jurisdiction.<sup>161</sup>

Indeed, U.S. courts have been somewhat possessive of their authority to decide pending ACPA cases which have a UDRP flavor —

[A] UDRP proceeding settles a domain-name dispute only to the extent that a season-finale cliffhanger resolves a sitcom’s storyline — that is, it does

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159. *Id.* at 625.

160. *Id.*

161. *Id.* The ruling has been cited in *NBC Universal Inc. v. NBCUNIVERSAL.com* and in *Dynamis Inc. v. Dynamis.com*. See *NBC Universal Inc. v. NBCUNIVERSAL.com*, 378 F.Supp.2d 715 (4th Cir. 2005) (U.S.) & *Dynamis Inc. v. Dynamis.com*, 780 F.Supp.2d 465 (4th Cir. 2011) (U.S.).

[not]. It is true that the language of the resolution policy describes the dispute-resolution process as ‘mandatory,’ but ‘the process is not ‘mandatory’ in the sense that either disputant’s legal claims accrue only after a panel’s decision.’<sup>162</sup>

In one case, the court described the panel decision as “inadmissible hearsay that cannot be considered in resolving [the] case.”<sup>163</sup> This attitude likely springs from what the *Barcelona.com* court describes as ACPA’s protections to registrants against overzealous trademark owners. In the end, however, courts, at least in the U.S. setting, will only act in accordance with the jurisdiction bestowed upon them, and, under the ACPA, the “interests of trademark holders and domain name registrants are both protected.”<sup>164</sup> The ACPA even grants courts the authority to reactivate a cancelled domain name or a return thereof.<sup>165</sup>

Also, it should be highlighted that in the U.S., a UDRP decision is not subject to review by the courts under the Federal Arbitration Act (FAA). It may be reviewed under ACPA,<sup>166</sup> as what has been done in *Barcelona.com*. If the UDRP proceedings were an arbitration under the FAA, then it would only be subject to the very limited review which entails the filing of a motion to vacate arbitration award.<sup>167</sup> The court in *Dluhos v. Strasberg*<sup>168</sup> ruled that, since the UDRP obviously contemplates judicial intervention and it is not meant to replace formal litigation, its “unique contractual arrangement renders the FAA’s provisions for judicial review inapplicable.”<sup>169</sup> It further ruled —

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162. *Dluhos v. Strasberg*, 321 F. 3d 365, 372 (3d Cir. 2003) (U.S.) (citing *Parisi v. Netlearning, Inc.*, 139 F.Supp.2d 745 (4th Cir. 2001) (U.S.)).

163. *Dynamis Inc. v. Dynamis.com*, 780 F.Supp.2d 465, 472 (4th Cir. 2011) (U.S.)  
*See also* *Sallen v. Corinthians Licenciamentos LTDA*, 273 F. 3d 14 (1st Cir. 2001) (U.S.). Here, the appeals court, applying the rights of the registrant in ACPA, remanded a case to the district court to conduct a hearing whereby Sallen challenged the UDRP panel’s cancellation of <corinthians.com> in favor of the respondent, owner of the Brazilian soccer team, Corinthians. *Id.* at 30.

164. *Stephens v. Trump Org. LLC*, 205 F.Supp.3d 305, 308 (2d Cir. 2016) (U.S.).

165. Anticybersquatting Consumer Protection Act, 15 U.S.C., § 1114 (2) (D) (v).

166. *See Parisi v. Netlearning Inc.* 139 F. Supp. 2d 745 (4th Cir. 2001) (U.S.) & *Dluhos v. Strasberg*, 321 F. 3d 365 (3d Cir. 2003) (U.S.).

167. *Dluhos*, 321 F. 3d at 372-73.

168. *Dluhos v. Strasberg*, 321 F. 3d 365 (3d Cir. 2003) (U.S.).

169. *Id.* at 371.

Accordingly, we hold that UDRP proceedings do not fall under the Federal Arbitration Act. More specifically, judicial review of those decisions is not restricted to a motion to vacate *arbitration* award under § 10 of the FAA, which applies only to binding proceedings likely to realistically settle the dispute. The district court erred in reviewing the domain name proceeding under limitations of FAA standards.<sup>170</sup>

Considering now the untested cybersquatting provisions of the Cybercrime Act of the Philippines, a question stands on how might designated cybercrime courts in Philippine jurisdiction behave if confronted by a UDRP case. Courts do not have the instrument of the web of contracts ICANN and Providers utilize to bind all interested parties to a dispute. Also, unlike ACPA in the U.S., Philippine law did not define reverse domain name hijacking, so this might translate into a less than friendly environment for registrants accused of cybersquatting. Otherwise stated, it is yet to be seen if the Cybercrime Act will genuinely serve to protect legitimate claims of both trademark owners and registrants.

#### IV. CYBERSQUATTING UNDER THE CYBERCRIME ACT AND RELATED LAWS

##### *A. Relevant Provisions on Elements and Court Jurisdiction*

In 2012, the Philippines passed the Cybercrime Act.<sup>171</sup> Roughly three years after, its Implementing Rules and Regulations (IRR) were promulgated by the Department of Justice, Department of Interior and Local Government, and the Department of Science and Technology.<sup>172</sup> In it, a slew of cybercrime related offenses were defined, one of which is cybersquatting. The IRR defined cybersquatting as follows —

Section 5. Other Cybercrimes. — The following constitute other cybercrime offenses punishable under the Act:

1. Cyber-squatting — The acquisition of a domain name over the internet, in bad faith, in order to profit, mislead, destroy reputation, and deprive others from registering the same, if such a domain name is:

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170. *Id.* at 372-73 (emphasis supplied).

171. Cybercrime Prevention Act of 2012, Republic Act No. 10175 & Philippine Daily Inquirer, *In the Know: The cybercrime law*, PHIL. DAILY INQ., Feb. 19, 2014, available at <https://technology.inquirer.net/34360/in-the-know-the-cybercrime-law> (last accessed Feb. 29, 2020).

172. *See* Rules and Regulations Implementing the Cybercrime Prevention Act of 2012, Republic Act No. 10175 (2015).

- a. Similar, identical, or confusingly similar to an existing trademark registered with the appropriate government agency at the time of the domain name registration;
- b. Identical or in any way similar with the name of a person other than the registrant, in case of a personal name; and
- c. Acquired without right or with intellectual property interests in it.

Cyber-squatting shall be punished with imprisonment of *prision mayor*, or a fine of at least Two Hundred Thousand Pesos (₱200,000.00) up to a maximum amount commensurate to the damage incurred, or both: *Provided*, That if it is committed against critical infrastructure, the penalty of reclusion temporal, or a fine of at least Five Hundred Thousand Pesos (₱500,000.00) up to maximum amount commensurate to the damage incurred, or both shall be imposed.<sup>173</sup>

Except for the penalty clause, the IRR's definition of cybersquatting is word for word lifted from Section 4 (6) of Republic Act No. 10175.<sup>174</sup> Noticeably, the elements of the offense are somewhat similar to those laid out in the UDRP.<sup>175</sup> Unlike the Cybercrime Act, however, the UDRP instead views the acts of profiting, misleading, destroying reputation, and depriving others from registration as badges of bad faith,<sup>176</sup> as opposed to being elements of the offense.

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173. Rules and Regulations Implementing the Cybercrime Prevention Act of 2012, rule II, § 5 (1).

174. Cybercrime Prevention Act of 2012, § 4 (6).

175. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (a). This Section states that

[y]ou are required to submit to a mandatory administrative proceeding in the event that a third party (a 'complainant') asserts to the applicable Provider, in compliance with the Rules of Procedure, that[:]

- (i) your domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) you have no rights or legitimate interests in respect of the domain name; and
- (iii) your domain name has been registered and is being used in bad faith.

*Id.*

176. *Id.* § 4 (b).

Section 21 gives Regional Trial Courts (RTC) jurisdiction over cybercrime cases. Notably, it provides that these courts have jurisdiction:

- (1) “over any violation committed by a Filipino regardless of the place of commission[;]”<sup>177</sup>
- (2) “if any of the elements was committed within the Philippines[;]”<sup>178</sup>
- (3) “if any of the elements was committed within the Philippines or committed with the use of any computer system wholly or partly situated in the country[;]”<sup>179</sup> or
- (4) “when by such commission any damage is caused to a natural or juridical person who, at the time the offense was committed, was in the Philippines.”<sup>180</sup>

The Supreme Court has also come out with A.M. No. 03-03-03-SC, entitled “Designating Certain Branches of the Regional Trial Courts To Try and Decide Cybercrime Cases Under Republic Act No. 10175.”<sup>181</sup> In this Administrative Matter, the Supreme Court emphasized that RTCs designated as Special Commercial Courts in the same document are also further designated as Cybercrime Courts to try and decide Cybercrime cases covered under the law in addition to their previous designation.<sup>182</sup> These Cybercrime Courts are also given “territorial authority over the entire region where the [RTC] is located for purposes of exercising the special jurisdiction granted herein.”<sup>183</sup> Cybercrime cases should also be filed in the Office of the Clerk of Court in the official station of the cybercrime court.<sup>184</sup> In terms of search warrants, cybercrime courts in Quezon City, Manila, Makati, and Pasig “shall have authority to act on applications for the issuance of search

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177. Cybercrime Prevention Act of 2012, § 21.

178. *Id.*

179. *Id.*

180. *Id.*

181. Supreme Court, Designating Certain Branches of the Regional Trial Courts to Try and Decide Cybercrime Cases Under Republic Act No. 10175, SC Administrative Matter No. 03-03-03-SC [SC A.M. No. 03-03-03-SC] (Nov. 15, 2016).

182. *Id.* ¶ 1.

183. *Id.* ¶ 2.

184. *Id.*

warrants involving violations of Republic Act No. 10175, which search warrants shall be enforceable nationwide.”<sup>185</sup>

Since Section 21 is unequivocal in stating that jurisdiction lies with the RTCs, and that jurisdiction is generally accepted to be conferred by law, this begs the question as to how the relevant court can exactly acquire jurisdiction over the person or subject of the cybersquatting case, most especially if they are found abroad. For those found domestically, a simple service of summons via the different modes provided for in the Rules of Court shall be resorted to.<sup>186</sup> For those abroad, applying by analogy the Rules of Court, a resort to Rule 11 would also seem to be the proper way for the Court to acquire jurisdiction over the subject matter and/or the person of the respondent, whether it be service to the “government official designated by law to receive the same” or via publication.<sup>187</sup>

It must be noted, however, that many cybersquatters will not reveal their identity and whereabouts on the Whois tool and will try and mask their details by using proxy or privacy registration. This concern is an added burden which goes into fact-gathering for the complainant and prosecution, and service for the court. In many instances, a trademark owner will be confronted with not knowing who registered the domain name. In comparison, locating a registrant is not an issue with the UDRP proceedings because the contractual obligations of the registrant and registrar to be bound by administrative proceedings. In fact, WIPO states it will provide the disclosed underlying information (i.e., registrant, location of registrant) to a trademark owner who can thereafter just update the name of the registrant respondent in the complaint.<sup>188</sup>

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185. *Id.* ¶ 5.

186. See 1997 RULES OF CIVIL PROCEDURE, rule 11.

187. *Id.* rule 11, § 2.

188. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.4.1. The Guidelines state that

[a]s a matter of panel-endorsed practice, in cases involving a privacy or proxy registration service initially named as the respondent, on timely receipt from the registrar (or privacy or proxy service) of information relating to an underlying or beneficial registrant, further to its compliance review and case notification responsibilities, *the WIPO Center will (a) provide any disclosed underlying registrant information to the complainant, and (b) invite the complainant to amend the complaint to reflect such information.*

*Id.* (emphasis supplied).

Moreover, the last words of the first paragraph of Section 21 provides that jurisdiction lies with the RTC if there is any “damage caused to a natural or juridical person who, at the time the offense was committed, was in the Philippines”<sup>189</sup> needs some clarification from either the regulatory body or the courts. The laws and other issuances are silent as to what exactly is meant by “damage.” A trademark owner may argue that there is damage when a similar-sounding domain name created by a cybersquatter simply exists online and has the potential of misleading the public into thinking that there is a connection between two parties<sup>190</sup> (as in <fbcandy.com><sup>191</sup> and <fbhelpcenter.com><sup>192</sup>). Others may view that there is “damage” when a person residing in the Philippines accesses the website (similar to the publication requirement in cyber-libel cases under the same statute).<sup>193</sup> A

189. Cybercrime Prevention Act of 2012, § 21, para. 1.

190. It can theoretically be done by arguing that there is a likelihood of confusion because of a confusion as to business source

where, although the goods of the parties are different, the product, the mark of which registration is applied for by one party, is such as might reasonably be assumed to originate with the registrant of an earlier product, and the public would then be deceived either into that belief or into the belief that there is some connection between the two parties, though inexistent.

Skechers, U.S.A., Inc. v. Inter Pacific Industrial Trading Corp., 646 SCRA 448, 456 (2011) (citing McDonald’s Corporation v. L.C. Big Mak Burger, Inc., 480 Phil. 402, 428 (2004)).

191. Facebook, Inc., Case No. D2018-2762. The panel ruled that “[i]t is obvious that the Respondent registered the disputed domain names with the Complainant’s distinctive and well-known trademark in mind.” *Id.* ¶ 6 (C).

192. Domains by Proxy, LLC / Carolina Rodrigues, Fundacion Comercio Electronico, Case No. D2019-0252. The panel ruled —

Acknowledging the popularity of the FB trademark in the world, the Panel finds that the Respondent’s knowledge of the Complainant’s rights at the time of registration of the disputed domain name that was chosen by the Respondent was in order to capitalize on the Complainant’s goodwill and reputation and to increase the number of visitors to the parking page containing sponsored links.

*Id.* ¶ 6 (C).

193. See Bonifacio v. Regional Trial Court of Makati, Branch 149, 620 SCRA 268 (2010). Although a pre-Cybercrime Act ruling, this case is worth noting. It, however, pertained to venue, not jurisdiction. The Supreme Court here limited venue to where the complainant resides at the time of the commission of the offense. *Id.*



close reading of the Section 4 (6) of the Cybercrime Act in relation to the Section 21 on jurisdiction leads one to ask if damage necessitates that the public is misled into thinking that a domain name is owned by the trademark owner or is it enough that the trademark owner is deprived of the opportunity to register.<sup>194</sup> If it were the latter, then it seems that there is no need to establish access in the Philippines.

*B. The Question on Whether the Arbitration Law in the Philippines is Applicable to UDRP Cybersquatting Cases*

As mentioned earlier, while cybersquatting has been defined under statute, there has been no case which has reached the Philippine Supreme Court which squarely dealt with the relevant provisions. According to the Office of Cybercrime of the Department of Justice (DOJ), there have been only four cases in 2014, two cases in 2015, and one case as of 2016.<sup>195</sup>

Much more is the dearth of jurisprudence when it comes to how to handle cybersquatting cases which are pending or have undergone administrative proceedings. To the Authors' knowledge, there have been no cases which handle this particular quandary. Unlike in the U.S. where the courts have held that the UDRP is not an arbitration subject to very limited review but is instead merely a cause of action to initiate a review under ACPA,<sup>196</sup> there is yet no similar rule in the Philippines. It is unlike the proceedings contemplated in arbitration laws. A UDRP administrative proceeding is different in that it binds the registrant by way of contract. A trademark owner is not part of that contract but can subject the registrant and registrar to the proceeding by filing a complaint with a Provider. Unlike in formal arbitration, there is no arbitration clause or agreement governing the relations between the trademark owner and registrant. Instead, a UDRP administrative proceeding is uniquely crafted to address domain name abuse and to allow for the limited relief of cancellation or transfer. Still, since the Cybercrime Act does not have similar provisions on review of a UDRP, the Authors suggest that the arbitration law may still shed some illumination into how domestic courts might treat a UDRP panel decision, or how parties will act on such a decision. The discussion merely raises a potential direction but not a rule on this matter.

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194. The provision states "to profit, mislead, destroy reputation, and deprive others from registering the same[.]" Cybercrime Prevention Act of 2012, § 4 (6).

195. DOJ Office of Cybercrime (on file with Authors).

196. See *Dluhos*, 321 F. 3d 365 & *Parisi*, 139 F.Supp.2d 745.

In 2004, Congress passed Republic Act No. 9285 or the Alternative Dispute Resolution Act.<sup>197</sup> Sections 19 and 42 of the said statute specifically made applicable in our jurisdiction the 1985 UNCITRAL Model Law on International Commercial Arbitration<sup>198</sup> and the 1958 New York Convention.<sup>199</sup> DOJ Memorandum Circular No. 98 laid out the IRR of the ADR Act of 2004.<sup>200</sup> In the said document, Rule 6 laid out the rules to be followed for the recognition and enforcement of Awards.<sup>201</sup> Furthermore, the Supreme Court also came out with AM No. 07-11-08-SC, the Special Rules of Court on Alternative Dispute Resolution.<sup>202</sup> Rule 13 of the same document also lays out the special steps to follow in the recognition and enforcement of a foreign arbitral award.<sup>203</sup>

Of particular interest is Rule 13.11—

Rule 13.11. Court action. It is presumed that a foreign arbitral award was made and released in due course of arbitration and is subject to enforcement by the court.

The court shall recognize and enforce a foreign arbitral award unless a ground to refuse recognition or enforcement of the foreign arbitral award under this rule is fully established.

The decision of the court recognizing and enforcing a foreign arbitral award is immediately executory.

In resolving the petition for recognition and enforcement of a foreign arbitral award in accordance with these Special ADR Rules, the court shall either [a] recognize and/or enforce or [b] refuse to recognize and enforce

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197. An Act to Institutionalize the Use of an Alternative Dispute Resolution System in the Philippines and to Establish the Office for Alternative Dispute Resolution, and for Other Purposes [Alternative Dispute Resolution Act of 2004], Republic Act No. 9285 (2004).

198. *Id.* § 19.

199. *Id.* § 42.

200. Department of Justice, Rules and Regulations Implementing the Alternative Dispute Resolution Act of 2004, Republic Act No. 9285 (2009).

201. *Id.* rule 6.

202. Supreme Court, Special Rules of Court on Alternative Dispute Resolution, SC Administrative Matter No. 07-11-08-SC [SC A.M. No. 07-11-08-SC], (Sep. 1, 2009).

203. *Id.* rule 13.

the arbitral award. The court shall not disturb the arbitral tribunal's determination of facts and/or interpretation of law.<sup>204</sup>

In short, the courts can neither interfere nor change the facts and the law on which an arbitral award is based. Generally, it may either just grant the enforcement of such an award here in Philippine jurisdiction, or it may flatly reject such an award. It may, however, not interfere with an arbiter's decision.

The recent case of *Mabuhay Holdings v. Sembcorp*<sup>205</sup> decided by the Supreme Court has reiterated this. In it, the Supreme Court was adamant in stating that

[i]n light of the foregoing and pursuant to the State's policy in favor of arbitration and enforcement of arbitral awards, the Court adopts the majority and narrow approach in determining whether enforcement of an award is contrary to Our public policy. Mere errors in the interpretation of the law or factual findings would not suffice to warrant refusal of enforcement under the public policy ground. The illegality or immorality of the award must reach a certain threshold such that, enforcement of the same would be against Our State's fundamental tenets of justice and morality, or would blatantly be injurious to the public, or the interests of the society.<sup>206</sup>

Necessarily, then, this means that the awards handed out by foreign or domestic arbiters have the force of law between parties. The concept of party autonomy to arbitration, then, is strictly enforced as a state policy by the Supreme Court's pronouncement in *Mabuhay Holdings*. Only in cases where the "illegality or immorality of the award [ ] reach[es] a certain threshold such that, enforcement of the same would be against [the] State's fundamental tenets of justice and morality, or would blatantly be injurious to the public, or the interests of the society" would such an award be rejected by the courts.<sup>207</sup>

Applying it analogously to UDRP in cases of cybersquatting, then, it seems as if the Philippines follows the principle of party autonomy to arbitration proceedings by recognized arbitrators and arbitral tribunals abroad. Hence, depending on the value UDRP proceedings will have under

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204. *Id.* rule 13.11.

205. *Mabuhay Holdings Corporation v. Sembcorp Logistics Limited*, G.R. No. 212734, Dec. 5, 2018, available at <http://sc.judiciary.gov.ph/3804> (last accessed Feb. 29, 2020).

206. *Id.* at 20-21.

207. *Id.* at 21.

Philippine law, a successful trademark owner in a UDRP case would be able to ask for its enforcement here in the Philippines following the procedure laid out in the Special ADR Rules. In truth, however, it will be easier and much simpler than that. A panel decision shall be enforced by a registrar by virtue of its express undertaking in the UDRP to cancel or transfer a domain name unless it receives official documentation that a case relating to the domain name has been filed by the losing registrant elsewhere.<sup>208</sup> And so, it is not the trademark owner who should be too wary about the enforcement of the award. Instead, it is the losing registrant keen on opposing the decision who will find use for the specific provisions under the Special ADR Rules on opposing an award. To this end, Rule 13.4 of the Special ADR Rules states the following —

A Philippine court shall not set aside a foreign arbitral award but may refuse it recognition and enforcement on any or all of the following grounds:

a. The party making the application to refuse recognition and enforcement of the award furnishes proof that:

(i). A party to the arbitration agreement was under some incapacity; or the said agreement is not valid under the law to which the parties have subjected it or, failing any indication thereof, under the law of the country where the award was made; or

(ii). The party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or

(iii). The award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration; provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside; or

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208. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4

(k). This Section states —

We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3 (b) (xiii) of the Rules of Procedure.

*Id.*

(iv). The composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties or, failing such agreement, was not in accordance with the law of the country where arbitration took place; or

(v). The award has not yet become binding on the parties or has been set aside or suspended by a court of the country in which that award was made; or

b. The court finds that:

(i). The subject-matter of the dispute is not capable of settlement or resolution by arbitration under Philippine law; or

(ii). The recognition or enforcement of the award would be contrary to public policy.<sup>209</sup>

Preliminarily, a losing registrant will have to contend with figuring out a mode to refuse an enforcement because Rule 13 of the Special ADR Rules allows the filing of an Opposition in reaction to a petition to enforce. As stated, a winning trademark owner does not need to enforce the UDRP decision via the courts. International commercial arbitration<sup>210</sup> awards under Rule 12 of the Special ADR Rules may, however, be subject to a Petition to Set Aside and the grounds to set aside mostly resemble the grounds to oppose under Rule 13.

Assuming that the registrant can bring some action either under Rule 13 or 12,<sup>211</sup> there is still the matter of asserting which of the above quoted grounds will a court find sound to declare that a UDRP should be set aside. In terms of incapacity, the registrant would have to demonstrate how there

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209. SC A.M. No. 07-11-08-SC, rule 13.4.

210. A commercial arbitration is one which

covers matters arising from all relationships of a commercial nature, whether contractual or not. Relationships of a transactions: any trade transaction for the supply or exchange of goods or services; distribution agreements; construction of works; commercial representation or agency; factoring; leasing, consulting; engineering; licensing; investment; financing; banking; insurance; joint venture and other forms of industrial or business cooperation; carriage of goods or passengers by air, sea, rail[,] or road.

Alternative Dispute Resolution Act of 2004, § 21.

211. The petition, if sought under Rule 12, should be brought within three months from receipt of a copy of the ruling. As discussed, a registrar will implement a UDRP panel decision within 10 days from receipt. Hence, the Petition to Set Aside should be filed sooner.

was incapacity to enter into and agree to the UDRP to begin with,<sup>212</sup> and would depend largely on how feasible it would be for a defeated registrant to allege this given that in the first place the registration of a domain name upon application is a contractual act in itself.<sup>213</sup>

As to arguing that the domain name registration agreement is not valid under Philippine law, this scenario is unlikely as the UDRP is a uniform agreement which has governed websites worldwide. To succeed here would be tantamount to literally breaking the internet.

Looking to the ground of the composition of the tribunal was not according to the agreement, this is also unlikely to succeed except if there was utmost unfairness in following the UDRP Rules (Section 6 on “Appointment of the Panel and Timing of Decision”).<sup>214</sup>

When it comes to opposing or resisting an award based on the fact that the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or contains decisions on matters beyond the scope of the submission to arbitration, a defeated registrant can, in theory, try and persuade the court that the panel went beyond the scope of the pre-agreed terms in the UDRP text.<sup>215</sup> The difficulty in arguing this

212. See An Act to Ordain and Institute the Civil Code of the Philippines [CIVIL CODE], Republic Act No. 386, art. 39 (1950).

213. *Id.* arts. 1156, 1157, & 1159. These provisions state —

Article 1156. An obligation is a juridical necessity to give, to do or not to do.

Article 1157. Obligations arise from:

- (1) Law;
- (2) Contracts;
- (3) Quasi-contracts;
- (4) Acts or omissions punished by law; and
- (5) Quasi-delicts.

Article 1159. Obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.

214. ICANN, UDRP Rules, *supra* note 71, § 6.

215. *Id.* § 4 (a). The provision states —

a. Applicable Disputes. You are required to submit to a mandatory administrative proceeding in the event that a third party (a ‘complainant’) asserts to the applicable Provider, in compliance with the Rules of Procedure, that [:]

lies in the way that panel decisions are structured and the way they are written (i.e., three-point discussion focusing on elements). Because the very essence of the UDRP is to streamline procedures, it would be unusual, although not impossible, for a panel's discussion to go beyond the elements a trademark owner has to prove as stated in Section 4 (a) of the UDRP. Assuming that the panel, however, decides a matter beyond the issue of whether or not there was domain name abuse, there is narrow basis to challenge a proceeding on this ground.

As to the next two grounds, where the subject matter of the dispute is not capable of settlement by arbitration under the law of the Philippines and that it is against public policy, there is no law which states that one cannot subject a domain name dispute to a UDRP proceeding.<sup>216</sup> Likewise, there is no public policy in the Philippines which prevents such a settlement.

It must, however, be emphasized that on this last note pertaining to public policy, a losing registrant may have basis to oppose or resist an award because the UDRP itself acknowledges that the registrant can contest an award before the court. The Civil Code dictates that "obligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith,"<sup>217</sup> and the Philippines abides by the

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

(ii) you have no rights or legitimate interests in respect of the domain name; and

(iii) your domain name has been registered and is being used in bad faith.

In the administrative proceeding, the complainant must prove that each of these three elements are present.

*Id.*

216. Alternative Dispute Resolution Act of 2004, § 6. The law does not cover any of the following:

(a) labor disputes covered by Presidential Decree No. 442, otherwise known as the Labor Code of the Philippines, as amended and its Implementing Rules and Regulations; (b) the civil status of persons; (c) the validity of a marriage; (d) any ground for legal separation; (e) the jurisdiction of courts; (f) future legitime; (g) criminal liability; and (h) those which by law cannot be compromised.

*Id.*

217. CIVIL CODE, art. 1159.

policy and the rule on freedom to contract.<sup>218</sup> If so, a defeated registrant who is vigilant can assert that there is a contractual basis to halt implementation by the very design of the UDRP. This is consistent with the other ground to oppose an enforcement under Rule 13.4 (v.), i.e., that the award has not become binding upon the parties,<sup>219</sup> precisely because the UDRP acknowledges that the parties are free to pursue judicial intervention.<sup>220</sup> What will be filed, however, is not a cybersquatting case (as that is a criminal case which is for the prosecution to pursue). Instead, the relevant action would most likely be an injunction claiming a right to the domain name akin to a reverse domain name hijacking.<sup>221</sup>

What this Subsection reveals is that arbitration rules in the Philippines do not have much bearing upon a trademark owner. A winning trademark owner need only wait 10 days until the registrar implements a UDRP decision. A losing trademark owner is unlikely to enforce a failed challenge before a panel. Instead, it is the defeated registrant who will be interested in opposing or resisting enforcement. It is reiterated that the discussion in this Subsection is subject to clarification from the courts or the proper regulatory body on whether a UDRP proceeding is considered an arbitration under Philippine arbitration laws. If they are not, then, a losing registrant ought to be able to avail of existing remedies under the law to halt the registrar from enforcing a panel's decision (i.e., via an injunction).

### C. Some Enforcement Scenarios

#### 1. Binding a Registrar

As mentioned, a trademark owner who has secured a favorable UDRP ruling need only wait for the registrar to enforce the panel's ruling barring receipt of an official documentation showing that the registrant filed a complaint.<sup>222</sup> This renders getting a UDRP decision enforced in the Philippines superfluous. However, if for some reason, a trademark owner did not go through the UDRP route but instead pursued a cybersquatting

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218. *Id.* art. 1306.

219. This ground is not available under Rule 12. See SC A.M. No. 07-11-08-SC, rule 12.

220. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (k).

221. *Barcelona.com, Inc.*, 330 F.3d at 624-25.

222. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (k).



charge or a trademark infringement claim against the registrant, the trademark owner can inform the registrar of the court's ruling to secure a cancellation —

3. Cancellations, Transfers, and Changes. We will cancel, transfer or otherwise make changes to domain name registrations under the following circumstances:
  - a. subject to the provisions of Paragraph 8, our receipt of written or appropriate electronic instructions from you or your authorized agent to take such action;
  - b. our receipt of an order from a court or arbitral tribunal, in each case of competent jurisdiction, requiring such action; and/or
  - c. our receipt of a decision of an Administrative Panel requiring such action in any administrative proceeding to which you were a party and which was conducted under this Policy or a later version of this Policy adopted by ICANN. (See Paragraph 4(i) and (k) below.)<sup>223</sup>

What this suggests is that it is possible that under the Cybercrime Act the cancellation of a domain name is not automatic. Further, it suggests that the order must include a wording requiring cancellation, transfer, or a change in the domain name registration. If the court comes out with a decision of conviction, which includes fine and imprisonment under the law, it is uncertain whether this is enough to have a domain name cancelled because the Cybercrime Act does not provide for those reliefs. If a court orders the transfer or cancellation of a domain name when it is not in the statute, would it not be adding a relief not found in the law, an act that it is proscribed from doing? That is in the realm of the legislative.<sup>224</sup>

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223. *Id.* § 3.

224. *See* *People v. Vera*, 65 Phil. 56, 86 (1937) (citing *Ex Parte United States*, 242 U.S. 27, 41-42 (1916)). The Court in this case stated that

[indisputably] under our constitutional system the right to try offenses against the criminal laws and upon conviction to impose the punishment provided by law is judicial, and it is equally to be conceded that, in exerting the powers vested in them on such subject, courts inherently possess ample right to exercise reasonable, that is, judicial, discretion to enable them to wisely exert their authority. But these concessions afford no ground for the contention as to power here made, since it must rest upon the proposition that the power to enforce begets inherently a discretion to permanently refuse to do so. *And the effect of the proposition urged upon the distribution of powers made by the Constitution will become apparent when it is observed that indisputable also*

Perhaps another question along this line would be whether a domain name can be treated like counterfeit products that can be “impounded” or “destroyed” (that is, cancelled) for violation of some rule under the Intellectual Property Code,<sup>225</sup> but that would be a whole other statute altogether.<sup>226</sup> If this were the case, then the trademark owner should have contemplated filing a trademark infringement claim together with the cybersquatting claim in the criminal proceeding. Not only will this not address the specific remedy of a domain name transfer,<sup>227</sup> it will also diminish the use for the cybersquatting provision.

To add to the complication, the accused cannot unilaterally take down a domain name. This is for the registrar to do. A registrar is different from the accused-registrant in a cybercrime case, so it would not be bound by the criminal action especially if is located abroad. A registrar is integral to ensuring that a transfer or cancellation is possible, but there remains the question on how it can feasibly be a party to a criminal case. Thus, it remains to be seen if the RTC can order the registrar to cancel (without the trademark owner resorting to Section 3 of the UDRP). This is what happened in *Russell Specialties Corporation*,<sup>228</sup> where the trademark owner failed to ask the court to include an order of cancellation, and so it had to go through a UDRP proceeding to finally enforce the cancellation applying the court’s finding of infringement.

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*is it that the authority to define and fix the punishment for crime is legislative and includes the right in advance to bring within judicial discretion, for the purpose of executing the statute, elements of consideration which would be otherwise beyond the scope of judicial authority, and that the right to relieve from the punishment, fixed by law and ascertained according to the methods by it provided belongs to the executive department.*

*Id.* (emphasis supplied).

225. An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for Its Powers and Functions, and for Other Purposes [INTELL. PROP. CODE], Republic Act No. 8293 (1997).

226. See INTELL. PROP. CODE, §§ 156-57.

227. One can also ponder if this can be added as an equitable remedy since the statute does not provide for it.

228. *Russell Specialties Corporation v. Media Image, Inc., Casual Day.Com, and Rodney Williams*, Case No. D2002-0322, Administrative Panel Decision, available at <https://www.wipo.int/amc/en/domains/decisions/html/2002/d2002-0322.html> (last accessed Feb. 29, 2020).

Perhaps as a bitter pill to the dilemma raised is the fact that under the Cybercrime Act, a registrar can conceivably be seen as “abetting” a cybersquatter when it registers an infringing domain name. Section 5 (a) of the Cybercrime Act punishes “[a]ny person who willfully abets or aids in the commission of any of the offenses enumerated[.]”<sup>229</sup> while the IRR states that merely benefitting financially from the commission of the offense is enough to be held liable under the law.<sup>230</sup> To reiterate, registrars are paid a fee, and, hence, they gain financial benefit when they register a domain name. Seen in this regard, a registrar could be a co-accused albeit the remedy of cancellation and transfer is still not found in the statute. As discussed, in the U.S., courts have interpreted that the UDRP itself limits the liability of the registrar in facilitating the registration of the domain name following a reasonable policy.<sup>231</sup> The wording in the Cybercrime Act on “abetting” thus needs further clarification if it includes the activities of a registrar. This would, however, be an extremely business and technology averse interpretation of the law.

## 2. Value of the Administrative Proceedings to a Criminal Court

Another question which comes to mind is whether the winning trademark owner can use the fact of a favorable UDRP case to prop up a cybersquatting charge before the courts. To recall, in the U.S., a UDRP proceeding is considered as an “adjudication lite,”<sup>232</sup> which is meant to be the trigger point with which an aggrieved registrant may file an action under ACPA.

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229. It must be noted that in *Disini Jr. v. Secretary of Justice*, the Supreme Court ruled that the provision in Section 5 of the Cybercrime Act on aiding and abetting in cyberlibel cases is void because “[t]he terms ‘aiding or abetting’ constitute broad sweep that generates chilling effect on those who express themselves through cyberspace posts, comments, and other messages.” *Disini Jr. v. Secretary of Justice*, 716 SCRA 237, 327 (2014).

The Court also nullified the statute insofar as aiding and abetting unsolicited commercial communications and child pornography. However, it upheld the provision on aiding and abetting insofar as they relate to the other punishable acts including cybersquatting. *Id.*

230. Rules and Regulations Implementing the Cybercrime Prevention Act of 2012, rule 2, § 5 (4) (a).

231. *Barcelona.com, Inc.*, 330 F.3d 617.

232. *Id.* at 624.

The burden of proof in a UDRP proceeding and a cybersquatting case are different. Before the UDRP panel, it is “balance of probabilities” or “preponderance of the evidence”<sup>233</sup> while it is proof beyond reasonable doubt in a criminal proceeding. Worded differently, an award by a UDRP panel is not conclusive upon courts in the Philippines in order to secure a conviction, and a tribunal must review the case on the merits *de novo*.<sup>234</sup> The Supreme Court’s ruling on the 2017 motion for reconsideration in *Government of Hong Kong Special Administrative Region v. Muñoz*<sup>235</sup> confirms this view. Verily, the Supreme Court stated that it

is not at liberty to take judicial notice of the ruling without contravening our own rules on evidence under which foreign judgments and laws are not considered as matters of a public or notorious nature that proved themselves. [ ] [F]oreign judgments and laws, if relevant, have to be duly alleged and competently proved like any other disputed fact.<sup>236</sup>

This pronouncement by the Supreme Court is quite unlike mere enforcement of an arbitral award as discussed in Chapter III B. For one, the status of a UDRP decision as an arbitral award is still up in the air given the unique characteristics of a UDRP registration agreement whereby the trademark owner-complainant is not a party. Second, and more importantly, the courts are bound to ensure that due process<sup>237</sup> is followed and that the accused is not convicted on a standard of evidence less than proof beyond reasonable doubt.<sup>238</sup>

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233. WIPO, WIPO Overview 3.0, *supra* note 86, ¶ 4.2. The provision states □

The applicable standard of proof in UDRP cases is the ‘balance of probabilities’ or ‘preponderance of the evidence’; some panels have also expressed this as an ‘on balance’ standard. Under this standard, a party should demonstrate to a panel’s satisfaction that it is more likely than not that a claimed fact is true.

*Id.*

234. *See Tiara Hotels & Resorts LLC*, Case No. D2009-0041, ¶ 3.

235. *Government of Hong Kong Special Administrative Region v. Muñoz*, 844 SCRA 212 (2017).

236. *Id.* at 216.

237. PHIL. CONST. art. III, § 1.

238. 1989 REVISED RULES ON EVIDENCE, rule 133, § 2.

Based on this, then, it would seem that the Philippines will likely treat a UDRP proceeding in the same way the U.S. treated it in the case of *Barcelona.com* as an “adjudication lite.”<sup>239</sup> It may be treated at face value as any other piece of evidence under Philippine jurisdiction, which means that it has to undergo the same process of being weighed against all other pieces of evidence under the Rules of Evidence.<sup>240</sup> It alone will not be capable of replacing judicial scrutiny observed via the conduct of a trial following the most stringent standard of evidence, which is proof beyond reasonable doubt.

#### V. SOME POINTS TO PONDER ON: CONCLUSIONS AND FURTHER THOUGHTS

The objective of the Authors has been to provide a comparison between a UDRP and a cybersquatting case under the Cybercrime Act, and their likely relationship should both of them be pursued. Several points can be highlighted. Some questions were answered, but the discussion opened further points for inquiry which could be a helpful bridge to connect the current discussion with future conversations.

##### *A. A Cybersquatting Case Under the Cybercrime Act may be Confronted With Procedural Concerns*

UDRP administrative proceedings, having been the “preferred” means of dealing with cybersquatters, since the early 2000s is more seamless, in comparison to a judicial proceeding. One can connect the parties in a UDRP case from the trademark owner, to the domain name registrant, to the registrar.<sup>241</sup> An aggrieved trademark owner can, by virtue of invoking the UDRP, bind the registrant and registrar to mandatory administrative proceedings.

Also, following the framework espoused in *Galley*, a trademark owner can reasonably be able to determine the type of cases a panel will likely resolve on the merits, notwithstanding any other proceeding between the parties.<sup>242</sup> Under the trends pointed out in that case, if the UDRP complaint and the case simultaneous to it both squarely deal with cybersquatting, then the panel will still resolve the case regardless of the pendency of the court

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239. *Barcelona.com, Inc.*, 330 F.3d at 624.

240. *Id.* rule 133.

241. See ISENBERG, *supra* note 49, at 89–90.

242. *Galley, Inc.*, Case No. D2008–1285, ¶ 6 (A).

proceedings.<sup>243</sup> However, if the issue before the court is broader than mere domain name squatting, then the panel will likely dismiss the complaint without prejudice.<sup>244</sup> Thus, a trademark owner can reasonably anticipate a resolution of the dispute simply by looking at the UDRP, UDRP Rules, and other rules such as the WIPO Guidelines.

Such a clear and predictable procedure cannot be anticipated from a cybersquatting case (See Table 1 comparison below). Cybersquatting is a criminal act for which the guilt of an accused must be proven beyond reasonable doubt. To initiate a case, a trademark owner will have to file a complaint before a prosecutor who will then determine probable cause to file an information on behalf of the People of the Philippines. At this point, a problem arises in the ability of the People to ask that a domain name be cancelled or transferred. Chapter III of the Cybercrime Act provides for fines and imprisonment, but there is no explicit remedy of transfer or cancellation. It has been proffered that enforcement of the cancellation may be in the form of taking a further step of alerting the registrar of a judgment so that it can in turn take action under the UDRP. However, without a definite ruling ordering a cancellation or a transfer, there is also the possibility that the trademark owner will have to go through a UDRP proceeding following what happened in *Russell Specialties Corporation*. To reiterate, registrars bind themselves to implement an order requiring cancellation, transfer, or a change in domain name registration.<sup>245</sup> If anything, this highlights the other concern mentioned earlier about how a registrar can either be a completely separate and unrelated entity from the cybersquatting case or an abettor following the strict reading of the Cybercrime Act.

It has also been pointed out that there will likely be questions on how a court can acquire jurisdiction over the registrant who uses a privacy or proxy registration. This will entail going beyond what is written on the Whois tool online which can be conveniently accomplished by a UDRP dispute service provider in the course of proceedings following the web of contracts which bind the registrant, registrar, registry, and ICANN. However, the same mechanism is not available to a trademark owner, prosecutor, or court in a judicial proceeding, and the prosecutor will have to rely on investigation and other means of production of evidence existing under the law. The concern here is that, while the identity of the respondent or accused is being

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243. *Id.*

244. *Id.*

245. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, §

determined, there is a threat that the domain name may be sold to another who was not responsible for its creation. On the other hand, this occurrence is minimized under the UDRP which mandates that the domain name be placed under a “lock” status if the proper notifications have already been made.

Considering all these uncertainties, it would appear that to a trademark owner who is weighing between filing a UDRP proceeding or a cybersquatting case under the Cybercrime Act, the advantages of UDRP is not just in the cost and efficiency of the process, but also as to the binding effect of the proceedings on the registrar. Insofar as the desired relief, if the intention of an aggrieved trademark owner is only to recover or take down a domain name, then a UDRP should be considered. As noted in the previous Chapter, a trademark owner who has a registered mark, not just in the Philippines but also internationally, may find it problematic to pursue a case before a domestic court if there is no intention to deal with local enforcement and judiciary. The same goes for a domestic trademark owner who has a claim against a cybersquatter located outside of the country. One can immediately see the issue of acquiring jurisdiction as well as the other concerns raised.

The conversation will take on a different tone and the focus will shift if the desire is to make the registrant suffer the consequences through fines and imprisonment. If so, court proceedings are desirable because a panel would certainly be going beyond its mandate should order anything more than a cancellation or a transfer of domain name. Moreover, following the guidelines set out in *Galley*, if the dispute between the parties is broader and more complex than a dispute concerning domain names, a panel will likely be minded to terminate the proceedings without prejudice, hence making administrative proceedings less palatable.

What might be important to highlight at this point is that it is the lawyer who is in a position to counsel clients on such a choice. Competent representation includes the ability to present these remedies with the deliberate intent of explaining the reliefs available to the client and how they are consistent with the clients’ goals, along with the advantages and disadvantages of either approach.<sup>246</sup> Below is a table for ease of reference on some comparative points:

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246. CODE OF PROFESSIONAL RESPONSIBILITY, rules 15.05 & 1.04 (1988).

Rule 15.05. – A lawyer when advising his client, shall give a candid and honest opinion on the merits and probable results of the client’s case, neither overstating nor understating the prospects of the case.

Table 1

**Comparison between Cybercrime Act and UDRP Actions**

	Cybercrime Act	UDRP
Jurisdiction	Sec. 21. <i>Jurisdiction.</i> — The Regional Trial Court [designated RTCs] shall have jurisdiction over any violation of the provisions of this Act, including any violation committed by a Filipino national regardless of the place of commission. Jurisdiction shall lie if any of the elements was committed within the Philippines or committed with the use of any computer system wholly or partly situated in the country, or when by such commission any damage is caused to a natural or juridical person who, at the time the offense was committed, was in the Philippines. <sup>247</sup>	The complainant selects the dispute resolution provider such as WIPO. The registrant agreed to the UDRP proceedings upon registration. <sup>248</sup>
Elements	Sec. 4 (6) Cyber-squatting. The acquisition of a domain name over the internet in bad faith to profit, mislead, destroy reputation, and deprive others from registering the same, if such	Sec. 4(a) — The domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and  The registrant has no rights or legitimate interests in respect

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Rule 1.04 – A lawyer shall encourage his clients to avoid, end or settle a controversy if it will admit of a fair settlement.

<sup>247</sup>. Cybercrime Prevention Act, § 21.

<sup>248</sup>. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, §



	<p>a domain name is:</p> <p>(i) Similar, identical, or confusingly similar to an existing trademark registered with the appropriate government agency at the time of the domain name registration;</p> <p>(ii) Identical or in any way similar with the name of a person other than the registrant, in case of a personal name; and</p> <p>(iii) Acquired without right or with intellectual property interests in it.<sup>249</sup></p>	<p>of the domain name; and</p> <p>The domain name has been registered and is being used in bad faith.<sup>250</sup></p>
Adjudicator	<p>A prosecutor determines if there is probable cause to file an information. If the case goes to court, a judge will determine if the accused is innocent or guilty beyond reasonable doubt of the crime.</p>	<p>The administrative panel is chosen pursuant to the rules of the dispute resolution provider.</p>
Cost and timing	<p>Amount of time it will take a prosecutor to determine whether there is probable cause. If it goes to trial, amount of time it will take the parties to present their arguments and for the court to decide on the case. Appeals may be in order for the main case or any interlocutory orders. Cost will depend on the legal</p>	<p>Under WIPO, in UDRP complaints involving up to five domain names, a single panelist shall cost U.S.\$1,500.00 and three-member panels shall cost U.S.\$4,000.00. If there are six to ten domain names in the complaint, a single panelist's fees would be U.S.\$2,000.00 and three-member panels shall cost U.S.\$5,000.00. The procedure is expected to</p>

<sup>249</sup>. *Id.* § 4 (6).

<sup>250</sup>. *Id.* § 4 (a).

	services secured.	terminate within a few months from filing.
Relief	Section 5 of the IRR states that Cyber-squatting shall be punished with imprisonment of <i>prision mayor</i> , or a fine of at least Two Hundred Thousand Pesos (₱200,000.00) up to a maximum amount commensurate to the damage incurred, or both: <i>Provided</i> , That if it is committed against critical infrastructure, the penalty of <i>reclusion temporal</i> , or a fine of at least Five Hundred Thousand Pesos (₱500,000.00) up to maximum amount commensurate to the damage incurred, or both shall be imposed. <sup>251</sup>	Only cancellation or transfer of the domain name.

Although many questions remain, a competent counsel must be able to guide a client in navigating the procedures may it be via a UDRP case (online) or a criminal case. If any, this is a specific instance whereby counsel must be well updated and acquainted with internet law and technology as it relates to intellectual property.

*B. A trademark owner party to a domestic case will likely rely on a panel's desire to help the court resolve a dispute should there be simultaneous administrative proceedings and court proceedings. Meanwhile, a defeated registrant will likely seek to resist the unfavorable UDRP ruling by invoking the registrar's undertaking to suspend execution.*

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251. Rules and Regulations Implementing the Cybercrime Prevention Act, rule 2, §

It has been pointed out, in discussing *Tiara Hotels*,<sup>252</sup> that panels may be motivated to render a decision despite the existence of a pending case elsewhere.<sup>253</sup> Panels have reasoned that the UDRP proceedings may aid the court or the parties in resolving the dispute or that the panel also finds value in seeing the administrative case through, in case the decision may be the only enforceable document a party holds on to if for any reason, a judgment in the judicial proceedings is not forthcoming.<sup>254</sup>

As was highlighted in the preceding subsection, there are procedural questions for which courts and parties may need clarity regarding the prosecution of a cybercrime case. Given this, and considering the reality that cases take time from initiation to finality, it can be reasonable to anticipate that while a panel “will not presume to advise a judge”<sup>255</sup> on how to resolve a matter, it will be motivated to render a decision “and allow the Court to decide whether the decision adds anything to its determination.”<sup>256</sup> This has already been demonstrated in the *AB SKF* case where a panel too candidly expressed that part of its motivation to rule on the administrative proceedings is its impression that courts in India “take [a] long time to decide.”<sup>257</sup> It is this behavior of panels which a trademark owner can use to its advantage in securing a likely “earlier” resolution on the issue of whether the registrant committed abuse of domain name.

However, it must be pointed out that the more interrelated a domain name abuse question is with other complex and broader issues or that the more that the interrelated issues cannot be separated from the cybersquatting issue, the more a panel will likely defer to court determination.<sup>258</sup> Also, it is expected that a criminal court hearing a cybersquatting case will behave differently, and treat the UDRP proceeding as an “adjudication lite” following the case of *Barcelona.com* and *Government of Hong Kong Special Administrative Region*.

Meanwhile, as pointed out in Chapter III, a defeated registrant who seeks to stop the registrar’s cancellation or transfer of a domain name based on a panel’s decision will likely have an interest in invoking rules on resisting

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252. *Tiara Hotels & Resorts LLC*, Case No. D2009-0041.

253. *Id.* ¶ 3 (D).

254. *Id.*

255. *DNA (Housemarks) Limited*, Case No. D2009-0367, ¶ 6.

256. *Tiara Hotels & Resorts LLC*, Case No. D2009-0041, ¶ 3 (D).

257. *AB SKF and SKF Bearings India Limited*, Case No. D2001-0867, ¶ 7.4.

258. See *CCTV Outlet, Corp.*, Case No. D2015-0682.

or setting aside an award's enforcement on the basis that the UDRP's design expressly allows the registrant to contest an award before a court. Philippine law and policy respects contractual stipulations under the Civil Code.<sup>259</sup>

*C. Reverse Domain Name Hijacking is Not Addressed in the Cybercrime Act*

The Cybercrime Act, unlike the ACPA, does not contemplate reverse domain name hijacking. In other words, a domain name registrant who is aggrieved by an overreaching trademark owner does not have a direct basis under the Cybercrime Act to seek a declaration “that the domain name registration or use by the registrant is not unlawful.”<sup>260</sup> While an accused in a cybersquatting case can defend the registration and use of the domain name as being done with some right or intellectual property interest,<sup>261</sup> this necessitates a situation where the registrant is already an accused or at the very least, a respondent before the prosecutor in a preliminary investigation. This places legitimate registrants who happen to have some similar sounding domain name as with a trademark owner regardless of an existing rightful use (as in the case of <barcelona.com>). Such registrations are different from those domain names registered with by reason of some unscrupulous intent such as to profit off from the name of the trademark owner (e.g., <fbcandy.com> and <fbhelpcenter.com>).

What makes the situation more difficult for a legitimate registrant is the Cybercrime Act's express declaration that the acquisition of a domain name to “deprive others from registering the same” is already punishable. There are only so many words in the dictionary, and there may be trademarks that are similar sounding but refer to different products of services. It would be unfair if legitimate registrants would be placed at risk of prosecution just because the act of registration precluded another. For UDRP cases, there would at least be a finding of whether the registrant committed a pattern of registering other domain names.<sup>262</sup>

To illustrate, if the owner of Hapee toothpaste registers <hapee.com>, does this already mean that the owner of Happy diaper already has some claim? It is true that the complainant still has to satisfy that the other

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259. CIVIL CODE, art. 1159. It states that “[o]bligations arising from contracts have the force of law between the contracting parties and should be complied with in good faith.” *Id.*

260. *Barcelona.com, Inc.*, 330 F.3d at 624-25.

261. Cybercrime Prevention Act of 2012, § 4 (a) (6) (iii).

262. ICANN, Uniform Domain Name Dispute Resolution Policy, *supra* note 17, § 4 (b) (ii).

elements are present. Still, one cannot dismiss the wording of the law in that preclusion from registration may be seen as punishable especially if the first registrant is not a trademark owner but has been merely using the name for some other legitimate purpose.

This being the case, if the situation calls for it, a registrant who has a right or intellectual property interest over a domain name can feasibly be able to avail of existing mechanisms under the Rules of Court to assert a legitimate claim against a trademark owner. For instance, similar to the ACPA provisions on reverse domain name hijacking,<sup>263</sup> a domain name registrant can utilize injunctive remedies under the Rules of Court<sup>264</sup> to enjoin a trademark owner from enforcing a cancellation or transfer of a domain name pursuant to a UDRP administrative proceedings. Still, the registrant has to go through the motions of proving: “(1) the existence of a right to be protected[,] and (2) acts which are violative of said right.”<sup>265</sup>

One cannot also foreclose on the possibility that a domain name registrant may also be able to seek a declaratory relief under Rule 63 of the Rules of Court should it be the relevant course of action in anticipation of a potential controversy.<sup>266</sup> Under Section 1 of Rule 63 of the Rules of Court, an action for declaratory relief should be filed by a person interested under a contract or other written instrument (such as a registration agreement), and whose rights are affected by a statute and a regulation (such as the Cybercrime Act or the Intellectual Property Code).<sup>267</sup> “The purpose of the remedy is to interpret or to determine the validity of the written instrument and to seek a judicial declaration of the parties’ rights or duties thereunder.”<sup>268</sup> As in the case of *Barcelona.com*, a party may be able to seek a declaration that the registrant has a right to use a domain name and that its registration is not unlawful.<sup>269</sup>

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263. Anticybersquatting Consumer Protection Act, 15 U.S.C., § 1114 (2) (D) (v).

264. 1997 RULES OF CIVIL PROCEDURE, rule 58.

265. *BP Philippines, Inc. (Formerly Burmah Castrol Philippines, Inc.) v. Clark Trading Corporation*, 681 SCRA 365 (2012) (citing *Manila International Airport Authority v. Rivera Village Lessee Homeowners Association Incorporated*, 508 Phil. 354, 375 (2005)).

266. 1997 RULES OF CIVIL PROCEDURE, rule 63.

267. *Id.* rule 63, § 1.

268. *Velarde v. Social Justice Society*, 428 SCRA 283, 290 (2004) (citing *Gozun v. Liangco*, 339 SCRA 253 (2000) & *Vda. de Aviles v. Court of Appeals*, 264 SCRA 473 (1996)).

269. *See Barcelona.com, Inc.*, 330 F.3d 617.

Barring an amendment of the Cybercrime Act to reflect accommodations for reverse domain name hijacking situations, these two potential remedies of injunction and declaratory relief should be explored by registrants in asserting a legitimate claim over their domain names before Philippine courts. It allows for the possibility of stopping an overzealous trademark owner from enforcing a ruling assuming the UDRP decision has not yet been implemented, or to seek a reactivation if there has already been enforcement.<sup>270</sup> Such a rule would be consistent with the Cybercrime Act's intent to punish only those who acquired the domain name without right or intellectual property interest therein.<sup>271</sup>

All in all, while the Authors have endeavored to present different scenarios which are applicable when it comes to different cases of cybersquatting or reverse domain name hijacking as covered under the concerted application of different laws and rules currently existing under the Philippine legal system, it is still desirable that more scrutiny be made in evaluating the viability of the cybersquatting provisions of the Cybercrime Act. While the Philippines may still not be up to par in terms of cases such as the ones illustrated above, time will tell when the growth of the Philippine economy would necessitate that a solid framework governing the issues discussed above would be required in order to dispel any doubts and uncertainties for all parties concerned.

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270. Similar to what is found in ACPA Section 1114 (2) (D) (v).

271. Cybercrime Prevention Act of 2012, § 4 (6).