

The Effect of the GDPR on Domain Name Disputes

BY AMANDA MARSTON

*This article looks at the current state of domain name disputes
in light of the recently implemented General Data Protection Regulation.*

The General Data Protection Regulation (GDPR) came into force on May 25, 2018. Since then, companies and individuals have been working to determine how it affects domain name disputes.

Implementation of the GDPR is consistent with today's privacy concerns and data usage, but it has raised questions, many of which remain unanswered. A common question for intellectual property practitioners is how the GDPR impacts the ability to enforce trademark rights in connection with domain names.

This article describes the GDPR, outlines the Uniform Domain-Name Dispute Resolution Policy (UDRP) and Uniform Rapid Suspension System (URS) processes, dives in to the current state of resolving domain name issues in light of recent changes, and looks at what lies ahead.

The GDPR

The GDPR (Regulation (EU) 2016/679) regulates the processing of personal data. It applies to individuals and businesses that are not using the data for personal use and that are either (1) located in the European Union (EU), (2) offering goods and/or services to persons in the EU, or (3) monitoring the behavior of persons in the EU.¹ "Personal data" is defined as "any information relating to an identified or identifiable natural person . . . who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data . . ."²

The GDPR's goal is to simplify data protection. It requires those regulated by the GDPR to include privacy policies written in "clear, straightforward language."³ They must also obtain affirmative consent from "data subjects" and be more transparent about how their personal information is being used, among other things.⁴ The GDPR also gives data subjects the right to obtain information regarding any of their personal data that is being used by those businesses controlling the data and how the businesses are using it.⁵ Data subjects also have (1) the right to be notified of data breaches, and (2) the right to have the data controller erase his or her personal data, stop disseminating the data, and potentially have third parties halt processing of the data.⁶ As a result of the GDPR's enhanced privacy protections, it

has become more difficult for third parties to obtain certain personal information, including information necessary to establish elements of UDRP and URS complaints.

Penalties for violating the GDPR include up to 4% of annual global revenue or €20 million.⁷ Fines are tiered and may be lower for lesser infractions.⁸ As stated above, even individuals and businesses not located in the EU are subject to the GDPR and its penalties for noncompliance if they meet conditions (2) and/or (3) above;⁹ they are expected to maintain personal data in the same manner as EU-based businesses and individuals. And a non-EU company that does not have a physical presence in the EU is required to appoint a representative located in the EU to whom concerns will be directed.¹⁰

Overview of Domain Name Dispute Resolution

The Internet Corporation for Assigned Names and Numbers (ICANN) is currently the governing body for the domain name system. Before ICANN, Network Solutions Inc. (NSI), a technology consulting company, was primarily responsible for handling top-level domains (TLDs) such as .com, .org, and .net.¹¹ In 1998, NSI implemented a policy under which it would suspend a domain name registrant's domain name if a complaining party produced proof of trademark rights in a mark identical to that of the domain name. If the domain name registrant could not prove trademark rights before the complainant's first demand letter to the registrant, the domain was suspended.¹² This policy was highly criticized because, among other reasons, it strongly favored owners of trademark registrations,¹³ but the policy remained in place until ICANN became the governing body for the domain name system.¹⁴

In June 1998, the U.S. government announced its plans to hand domain name management over to the nonprofit agency ICANN.¹⁵ The U.S. government advised that any dispute resolution adopted by ICANN should be limited to instances of cybersquatting, and disputes between parties with "legitimate competing interests in a particular mark" should be resolved in court.¹⁶ When the ICANN's UDRP policy became the standard for domain name dispute resolution in January 2000, the NSI dispute resolution system ended.¹⁷

ICANN and WHOIS

ICANN was created to provide a variety of services, including managing generic and country code TLD name systems and accrediting registrars all around the world.¹⁸ ICANN also created the WHOIS service. The WHOIS system houses the majority of domain name owners' information, including their names, emails, and addresses. Each registrar maintains control of the information, but it is made available through the WHOIS system. A person is able to conduct a WHOIS search by entering a domain name into one of several WHOIS search engines. Search results include the registrant's name, email, and address, as well as any other pertinent information (including domain name creation and expiration) associated with the domain name.

Although it was possible to hide much of this information through privacy services before implementation of the GDPR, the valuable WHOIS information is used to contact domain name owners, conduct investigations, and file UDRP and URS complaints. Those seeking to file domain name complaints often begin with the WHOIS information to conduct research into the domain name registrant, the purpose in owning the domain name, and any possible legitimate interests by the registrant in the domain name.

UDRP and URS

The UDRP is a process established by ICANN for resolving disputes regarding the registration of Internet domain names. The UDRP protects businesses from bad faith registrations.¹⁹ In connection with ICANN's governance over domain names, ICANN requires all global top-level registrars to adopt the UDRP as part of all domain name contracts. At implementation it only applied to then-existing generic TLDs (gTLDs) such as .com, .net, and .org, but it now applies to a much larger list.²⁰ If a trademark rights holder believes the domain name registrant is cybersquatting (registering domain names, often those of well-known brands or companies, in the hope of reselling the domains for profit), the trademark rights holder may file a complaint with one of several forums.²¹ The forums use panels to act as arbitrators of the

domain name disputes. The forums also apply ICANN's rules as well as any supplemental rules that a particular forum may have adopted.

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A complainant must assert the grounds on which the complaint is made, including that

1. the domain name is identical or confusingly similar to a trademark in which the complainant has rights;
2. the domain name registrant has no rights or legitimate interests in the domain name; and
3. the domain name was registered in bad faith.²²

In addition to setting forth the grounds, the complainant must provide certain information, including the domain registrant's name, email, telephone number, and any other contact information known to the complainant “in sufficient detail to allow the Provider to send the complaint”²³ Once the complainant has put forth evidence of the above elements, the burden falls on the registrant to provide evidence rebutting the complainant's assertions.²⁴

The URS complements the UDRP and allows trademark holders to file complaints on an expedited basis for domain names using new gTLDs (defined as those introduced after January 1, 2013) for the “most clear-cut cases of infringement.”²⁵ Although there are several procedural differences between the UDRP and URS, the primary evidentiary difference is that the trademark rights in a URS proceeding must be proved through either (1) a national or regional registration; (2) a validated court proceeding; and/or (3) a statute or treaty specifically protecting the trademark in effect at the time of filing the URS complaint.²⁶

Neither the UDRP nor URS proceedings prevent trademark rights holders from seeking any other action in connection with the infringement of their trademarks, even if the panel finds in the complainant's favor and orders transfer, cancellation, or change of the disputed domain name.

The GDPR's Effect on Proving the Elements

As discussed above, for complainants to be successful in either a UDRP or URS proceeding, they must show evidence that the domain name registrant has no legitimate interests in the domain name and that the domain name was registered in bad faith. Although these elements can be proved in several ways (such as not being commonly known by the disputed domain name,²⁷ no legitimate commercial use,²⁸ and intent to cause consumer confusion²⁹), much of the evidence stems from examining facts about the registrant, the registrant's use of the domain name, and the registrant's history of owning domain names incorporating others' protected trademarks. Gathering this factual information generally starts with the WHOIS

information. Without the ability to identify the registrant, this information is difficult to obtain. If a complainant does not prove these elements, it would be very unlikely for a panel to find in favor of the complainant, even in cases where the registrant does not respond.³⁰

Because of the requirements to submit and sustain a complaint against a domain name registrant, access to the WHOIS information is important to the complainant as well as to ICANN. As stated above, the GDPR's enhanced privacy protections, along with registrants' continued use of identity-masking services, make it harder for third parties to obtain information about domain name registrants. This makes it difficult for would-be complainants to investigate registrants and to prove bad faith and no legitimate rights in the disputed domain names.

To mitigate these issues, ICANN established the Temporary Specification, discussed below. The Temporary Specification requires registrars to continue to gather the pertinent personal information, such as name, address, and so on, but instructs that such information may only be disclosed to parties with "legitimate and proportionate" interests in the information who make a request to the registrar.³¹ Further, the interest must not be "overridden by the fundamental rights and freedoms of individuals.

...³²

Despite ICANN's attempt to mitigate complainants' difficulties in investigating registrants, by limiting disclosure of information, the Temporary Specification makes it more difficult for trademark holders seeking to enforce their rights against domain name registrants. It will be harder for trademark holders to investigate registrants, the registrants' rights in the domain names, and their bad faith in registering and using the domain names. For instance, one way to prove no legitimate rights in a domain name is to show the registrant is not commonly known by the domain name. If a complainant is unable to view any identifying information about the registrant, it cannot satisfactorily allege that the registrant is not known by the domain name.

Further, masking personal data gives bad faith registrants an advantage.³³ The inability to

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find basic information makes it more difficult for brand-protection attorneys to give accurate estimates on the likelihood of success in domain name disputes. The limited access to registrants' personal data may also increase costs because

more thorough investigations and added time and expense are required to request access to the personal data. All of this may discourage brand owners from pursuing domain name registrants and makes it difficult for brand owners to develop clear policing strategies.

Hopefully, the "legitimate and proportionate interests" standard will not be difficult to prove and will allow trademark owners to proceed in domain name disputes without significant additional expense, but this is unclear. It remains to be seen how registrars will determine whether an interest is legitimate and whether gaining access to the information leads to significant back-and-forth between complainants or their counsels and registrars. If it becomes substantially more difficult to acquire this information, the impact on a brand's willingness and ability to enforce its rights against cybersquatters may be substantial.

ICANN's Temporary Specification

Because most, if not all, domain name registrars and ICANN are bound by the GDPR, there have been attempts to modify the Registrar Accreditation and Registry Agreements to bring them into compliance with the GDPR while working to avoid fragmentation and weakening of the WHOIS system.³⁴ To address these concerns, ICANN solicited feedback on and created the Temporary Specification.

The Temporary Specification is a set of rules designed to direct the collection and use of personal data without running afoul of the GDPR.³⁵ It applies to registrars and registry operators who collect personal data in connection with the purchase and maintenance of domain names. The Temporary Specification aims to limit the issues arising from the implementation of the GDPR by requiring registrars to collect all registrant information while allowing a person conducting a WHOIS search to see only a very limited portion of this information, such as the status of the registration, the expiration dates of the domain registrations, and the sponsoring registrar.³⁶

The Temporary Specification tries to anticipate further changes in privacy policies around the world by extending its scope to not only those bound by the GDPR but also registrars

with a “commercially reasonable purpose,” or where it is not “technically feasible” to limit the application of the Temporary Specification to GDPR-affected jurisdictions.³⁷

This limited access makes investigations and complaints tougher to complete because the information about a registrant is required for UDRP complaints.³⁸ ICANN has, however, stipulated that third parties with “legitimate interests in gaining access to . . . non-public data” may still have ways of gathering useful information.³⁹ For instance, a third party may contact a registrar and the registrar is required to respond within a reasonable period. But there are not well-defined standards outlining to whom the registrants should provide access to the requested information.⁴⁰ As many practitioners may know, it is often difficult to get a response from a registrar. ICANN advises it will have a complaint mechanism available to address such difficulties, but such mechanism is not detailed in the Temporary Specification.⁴¹

ICANN specifically noted in section 4.2.7 of the Temporary Specification that it is aware of the impact the GDPR will have on URS and UDRP requirements, but it has worked to ensure access to the full registration data for both domain dispute resolution policies.⁴² This effort is reflected in the National Arbitration Forum’s announcement regarding its ability to accept complaints for URS and UDRP cases “even if the Complainant does not have the contact information for the Respondent.”⁴³ This does not, however, address a complainant’s need for the information to establish the various elements necessary to succeed in UDRP and URS proceedings. It also does not address a complainant’s ability to anticipate any possible defenses, the length of ownership by the current registrant, and/or the complainant’s ability to attest to the completeness and accuracy of the complaint, among other things.

Looking Forward

Although ICANN has created the Temporary Specification, it does not address all issues that may arise, nor does it guarantee access to useful WHOIS information. Therefore, ICANN is working to develop a consistent framework that builds on the Temporary Specification and

allows uniformity and predictability in retrieving the WHOIS information.

Unified Access Model

Currently, ICANN has a working draft of a “Unified Access Model” in which it outlines a possible “unified approach” regarding full access to WHOIS data.⁴⁴

The draft framework seeks to allow access to WHOIS data in the case of third parties with a legitimate interest in the information that is not overridden by the interests or fundamental freedoms of the “data subjects,” but the permitted third parties remain otherwise undefined.⁴⁵ In its efforts to provide a working solution for third parties, ICANN intends to consult with the Governmental Advisory Committee (GAC),⁴⁶ which was established in 1999 to advise ICANN on issues within ICANN’s scope.⁴⁷ ICANN would consult with the GAC to identify “authenticating bodies” and eligible user groups that would then develop the criteria necessary to become an authorized user within an eligible user group with access to WHOIS information.⁴⁸

Based on the European Data Protection Board’s guidance to ICANN, data would be provided to eligible users on a query-by-query basis and would not provide the full WHOIS information unless doing so is supported by the legitimate interests of the eligible user.⁴⁹

Currently, there is uncertainty as to whether the Unified Access Model will require some form of fees to become an eligible user, and ICANN has indicated that this point will need to be considered more thoroughly, likely once ICANN moves toward a more definitive model.⁵⁰

Future Uncertainty

Although ICANN is working to reconcile the requirements of the GDPR (and the likely worldwide move toward stronger privacy protection⁵¹), many uncertainties remain about resolving domain name disputes. Practitioners and investigators alike will need to find creative ways to search and make connections between registrants and domain names because elements of the UDRP and URS will be more difficult to prove. There will also likely be inconsistency in the available information found in WHOIS records until ICANN sets forth a final resolution.

But for now, the primary forums for submitting UDRP and URS complaints in the United States—the World Intellectual Property Organization and ADR Forum—are allowing complainants to submit complaints without the registrant’s information (if all available information is provided and matches the publicly identified information in the WHOIS database) and working to ensure complainants have the opportunity to amend and supplement their complaints as necessary to support good faith filings.⁵² So despite the uncertainty, trademark owners are currently able to enforce their trademark rights.

Conclusion

The GDPR has changed the domain name dispute landscape, but current trends indicate ICANN is making efforts to maintain trademark holders’ rights against potential cybersquatters, to prevent registrants from taking advantage of the new domain name dispute resolution landscape, and to limit the amount of disruption to the domain name system caused by the implementation of the GDPR.

It is unlikely the dust will settle in short order. Practitioners should keep an eye on ICANN as we navigate a more privacy-protected world. 



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NOTES

1. GDPR FAQs, <https://eugdpr.org/the-regulation/gdpr-faqs>.
2. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27, art. 4(1) (Apr. 2016), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&from=EN>.
3. “A new era for data protection in the EU: What changes after May 2018,” European Commission, https://ec.europa.eu/commission/sites/beta-political/files/data-protection-factsheet-changes_en.pdf.
4. *Id.*

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5. GDPR Key Changes, www.eugdpr.org/key-changes.html.

6. See <https://eugdpr.org/the-regulation>.

7. *Id.*

8. *Id.*

9. See *Google Spain SL v. Agencia Española de Protección de Datos (AEPD)*, Case C131/12 (May 13, 2014), <http://curia.europa.eu/juris/document/document.jsf?docid=152065&doclang=en> (finding U.S.-based company, Google, Inc., bound by the privacy regulation because the processing of personal data, although not performed in an EU-Member State, was targeted at persons within the Member State).

10. <https://eugdpr.org/the-regulation>.

11. See McCarthy, 5 *McCarthy on Trademarks and Unfair Competition* § 25A:12 ICANN oversees the domain name system (Thomson West 5th ed. 2017-18). See also ICANN's Early Days, www.icann.org/en/history/early-days.

12. McCarthy, *supra* note 11, § 25A:19 Domain name dispute resolution prior to ICANN and the UDRP.

13. *Id.*

14. *Id.*

15. *Id.* at § 25A:12 ICANN oversees the domain name system.

16. *Id.*

17. *Id.* at § 25A:19 Domain name dispute resolution prior to ICANN and the UDRP.

18. Rollinson, "GDPR and WHOIS: Here's What You Need to Know" (May 31, 2018), <https://umbrella.cisco.com/blog/2018/05/31/gdpr-and-whois>.

19. See Augustine and Warkentin, "What's in a Domain Name? Famous Names and the UDRP," 47 *Colorado Lawyer* 48 (Dec. 2018).

20. McCarthy, *supra* note 11, § 25A:21 ICANN Uniform Dispute Resolution Policy (UDRP)—Introduction.

21. List of Approved Dispute Resolution Service Providers, www.icann.org/resources/pages/providers-6d-2012-02-25-en.

22. Rules for Uniform Domain Name Dispute Resolution Policy (UDRP Rules), www.icann.org/resources/pages/udrp-rules-2015-03-11-en.

23. UDRP Rule 3(b)(v).

24. UDRP Rule 3(b)(ix).

25. Understanding the Uniform Rapid Suspension System, <https://newgtlds.icann.org/en/applicants/urs>.

26. Uniform Rapid Suspension System Rules, <https://newgtlds.icann.org/en/applicants/urs>.

27. See *Braun Corp. v. Loney*, FA 0605000699652 (Forum July 7, 2006), www.adrforum.com/domaindecisions/699652.htm (finding respondent was not commonly known by the disputed domain name where the WHOIS information gave no indication that respondent was so commonly known and complainant had not authorized respondent to register a domain name containing complainant's mark).

28. See *Home Depot Prod. Auth., LLC v. Samy Yosef/Express Transporting*, FA1706001738124

(Forum July 28, 2017), www.adrforum.com/domaindecisions/1738124.htm ("Using a disputed domain name to redirect Internet users to a website offering competing services is not considered to make a *bona fide* offering of goods or services or a legitimate noncommercial or fair use within the meaning of Policy ¶ 4(c)(i) & (iii).").

29. See *eBay Inc. v. eBay Motors*, FA1705001731822 (Forum June 26, 2017), www.adrforum.com/domaindecisions/1731822.htm (finding bad faith where respondent disrupted complainant's business by creating "some consumer confusion or interference").

30. See *Vertical Solutions Mgmt., Inc. v. webnet-marketing, inc.*, FA0006000095095 (Forum July 31, 2000), www.adrforum.com/domaindecisions/95095.htm (the panel determined it was allowed, but not required, to find complainant's reasonable inferences of fact as true in light of no response from the registrant).

31. Temporary Specification for gTLD Registration Data, www.icann.org/resources/pages/gtld-registration-data-specs-en.

32. *Id.*

33. Draganescu-Pinawin, "WHOIS a casualty of the GDPR?" Lexology (Apr. 16, 2018), www.lexology.com/library/detail.aspx?g=10482c9c-a5b3-4692-b93a-5b0546e4287c.

34. Advisory Statement: Temporary Specification for gTLD Registration Data, www.icann.org/en/system/files/files/advisory-statement-gtld-registration-data-specs-17may18-en.pdf.

35. See Temporary Specification, *supra* note 31.

36. Advisory Statement, *supra* note 34 at 1.

37. *Id.* at 8.

38. See UDRP Rule 3(b)(v).

39. Advisory Statement, *supra* note 34 at 1.

40. Little, "ICANN unveils framework for future WHOIS access; cost and compliance uncertainty remains" (June 21, 2018), www.worldtrademarkreview.com/blog/detail.aspx?g=8540dc6c-026f-4d90-9b12-1cebd949d6fe.

41. Advisory Statement, *supra* note 34 at 2.

42. *Id.* at 9.

43. Domain Name Disputes, www.adrforum.com/domains.

44. "Draft Framework for a Possible Unified Access Model for Continued Access to Full WHOIS Data—For Discussion," ICANN Organization (Aug. 20, 2018), www.icann.org/en/system/files/files/framework-elements-unified-access-model-for-discussion-20aug18-en.pdf.

45. *Id.* at 2.

46. *Id.* at 7.

47. About the GAC, <https://gac.icann.org/about>.

48. Draft Framework, *supra* note 44 at 9.

49. *Id.* at 11.

50. *Id.* at 13.

51. See, e.g., California Consumer Privacy Act of 2018, https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB375

(providing various privacy provisions, including, for example, the consumer's right to opt out of allowing businesses to sell their information and the right to know what information has been collected by businesses).

52. See WIPO Center informal Q&A concerning the GDPR as it relates to the UDRP, www.wipo.int/amc/en/domains/gdpr.

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