
Determinants of Failure and Success in Australian Domain Name Disputes

Andrew F Christie*

This empirical study of decisions under the .au Dispute Resolution Policy finds that complaints typically fail due to the complainant's inability to prove that the respondent does not have rights or legitimate interests in the domain name. This is so whatever is the nature of the legal right on which the complaint is based, and whether or not the respondent defaults. Complaints typically succeed because the complainant can prove that the respondent is using the domain name to attract Internet users to a website by creating confusion between the domain name and the complainant's name or trademark. Complaints succeed more often when the complaint is based on a trademark, because of the necessarily distinctive character of a trademark. Where the trademark is registered, complaints succeed more often because it is relatively easier for the complaint to prove the respondent's bad faith. Complaints in which the respondent does not file a response succeed more often because it is easier in those cases for the complainant to satisfy all of the requirements of the Policy.

I. INTRODUCTION

A. Background

Since August 2002, the *.au Dispute Resolution Policy* (auDRP) has provided an online mandatory administrative procedure for resolving disputes between a trademark¹ owner and the registrant of a domain name in the *.au* country-code Top-Level Domain (ccTLD).² The auDRP is a variant of the *Uniform Domain-Name Dispute-Resolution Policy* (UDRP), which has provided a similar administrative procedure in respect of domain names registered in a generic Top-Level Domain (gTLD), such as *com*, since 1 December 1999.³ Both the auDRP and the UDRP have proved to be equally popular mechanisms for resolving trademark-domain name disputes. While the absolute number of proceedings brought under each policy is vastly different, the usage of each policy relative to the number of domain names to which it applies is essentially the same – being approximately 2.5 disputes per 100,000 domain name registrations.⁴

An earlier study, led by the author, provided the first detailed quantitative analysis of every determination made in the auDRP's first 15 years of operation.⁵ By identifying the characteristics of each case and its decision-maker, and by analysing which of those characteristics were associated with particular

* Chair of Intellectual Property, Melbourne Law School, University of Melbourne.

¹ Because the auDRP uses “trademark” rather “trade mark”, the former spelling will be used throughout this article.

² The auDRP is Sch A to *.auDA, .au Dispute Resolution Policy (2016-01)* <<https://www.auda.org.au/policies/index-of-published-policies/2016/2016-01/>> (auDRP). It applies to all domain names registered or renewed in the “open” Second-Level Domains (2LDs) of the *.au* ccTLD: auDA Policy No 2016-01, para 2.1. As at August 2020, there are five open 2LDs in the *.au* ccTLD: *asn.au*, *com.au*, *id.au*, *net.au*, and *org.au*. The *.au* ccTLD also contains eight “community geographic” 2LDs (*act.au*, *nsw.au*, *nt.au*, *qld.au*, *sa.au*, *tas.au*, *vic.au*, and *wa.au*) and two “closed” 2LDs (*edu.au* and *gov.au*). See auDA, *Registry* <<https://www.auda.org.au/industry-information/registry/>>.

³ For a history of the evolution of the UDRP, see A Christie, “WIPO and IP Dispute Resolution” in S Ricketson (ed), *Research Handbook on World Intellectual Property Organization – The First 50 Years and Beyond* (Edward Elgar, 2020) Ch 14, 268–270.

⁴ See A Christie, J Gloster and S Goddard, “An Empirical Analysis of 15 Years of Australian Domain Name Disputes” (2019) 30 AIPJ 4, 22.

⁵ Christie, Gloster and Goddard, n 4.



outcomes, that study provided important information about the factors associated with a case's success. It found that the rate at which cases succeed has not changed over time, and does not differ between the two service providers or between the most prolific panelists. However, the rate at which cases succeed does differ, to a statistically significant degree, depending on the legal right on which the complaint is based, and on whether or not the respondent files a response. In particular, complaints based on a trademark alone rather than on a name alone or jointly with a trademark, complaints based on a registered trademark alone rather than on an unregistered trademark alone or jointly with a registered trademark, and complaints in which the respondent defaults rather than files a response, all had higher success rates. This study addresses a question that the earlier study did not – the reasons *why* higher rates of success are associated with complaints based on a trademark, or based on a registered trademark, or in which the respondent defaults. It does so by analysing the published decision in every proceeding determined under the auDRP in its first 15 years of operation, to identify in each case which of the requirements for a remedy under the policy were, or were not, satisfied, and what were the circumstances established by the complainant and the respondent which led to that outcome.

B. Failure and Success under the auDRP

Grounds of Failure and Success

A complaint may fail in two ways. First, it may fail to satisfy a procedural requirement of the auDRP (a “procedural ground” of failure). Second, it may fail to satisfy one or more of the para 4(a) requirements (a “substantive ground” of failure).

Paragraph 4(a) of the auDRP sets out three requirements that must be proved for the complainant to obtain one of the two remedies provided by the policy:⁶

- (i) the complainant has rights to a name or trademark⁷ in relation to which the domain name is either identical or confusingly similar (“similarity requirement”);
- (ii) the respondent has no rights or legitimate interests in the domain name (“no rights requirement”); and
- (iii) the domain name has either been registered or subsequently used in bad faith (“bad faith requirement”).

For a complaint to succeed, all three of the requirements of para 4(a) must be satisfied; otherwise, the complaint fails. Thus, there is only one ground on which a complaint can succeed – being, the satisfaction of all requirements of para 4(a).

Circumstances Establishing Respondent Rights

Paragraph 4(c) of the auDRP provides guidance on when the para 4(a)(ii) no rights requirement is to be considered *not* satisfied, by specifying three circumstances that are “taken to demonstrate” that the respondent *has* rights or legitimate interests in the domain name:

- (i) a bona fide use of the domain name in connection with an offering of goods or services (“bona fide use circumstance”);
- (ii) being commonly known by the domain name (“commonly known circumstance”); and
- (iii) making a legitimate non-commercial or fair use of the domain name (“fair use circumstance”).

Paragraph 4(c) is not an exhaustive list of the circumstances in which a panel may find that the respondent has rights or legitimate interests in the domain name. That is to say, evidence establishing the respondent's entitlement to the domain name – resulting in failure of the complaint – can be found in an “other circumstance”.

⁶ The available remedies are, at the complainant's election, either cancellation of the domain name or transfer of the domain name to the complainant: *auDRP*, n 2, para 4(i).

⁷ Although the auDRP refers to “trademark or service mark”, panels have not drawn any distinction between the two. Accordingly, in this study the two concepts are collectively referred to as a “trademark”.

If a para 4(c) or other circumstance is established, the panel will find that the respondent has rights or legitimate interests in the domain name; with the result that the complaint will fail. These circumstances are referred to herein as “circumstances of respondent rights”.

Circumstances Establishing Respondent Bad Faith

Paragraph 4(b) of the auDRP provides guidance on when the para 4(a)(iii) bad faith requirement is to be considered satisfied. It specifies five circumstances that “shall be evidence of” the registration and use of the domain name in bad faith:

- (i) registration or acquisition of the domain name primarily for the purpose of selling it to another person for a profit (“resale circumstance”);
- (ii) registration of the domain name to prevent the owner of a name or trademark from reflecting that name or trademark in a corresponding domain name (“blocking circumstance”);
- (iii) registration of the domain name primarily for the purpose of disrupting the business or activities of another person (“disruption circumstance”);
- (iv) using the domain name to attract, for commercial gain, users to a website by creating a likelihood of confusion with the complainant’s name or trademark (“confusion circumstance”); and
- (v) the representations or warranties as to eligibility or third-party rights that are given on application or renewal of the domain name are, or subsequently become, false or misleading in any manner (“ineligibility circumstance”).

Paragraph 4(b) is not an exhaustive list of the circumstances in which a panel may find that the respondent registered or used the domain name was in bad faith. That is to say, evidence establishing the respondent’s bad faith – and, hence, the potential for the complaint to succeed – can be found in an “other circumstance”.

If a para 4(b) or other circumstance is established, the panel will find that the respondent has registered and/or used the domain name in bad faith; with the result that the complaint will succeed, so long as the requirements of paras 4(a)(i) and (ii) are also met. These circumstances are referred to herein as “circumstances of respondent bad faith”.

II. METHOD

A. Dataset

The dataset for this study is the same dataset on which the earlier study was based – meaning that the findings from this study are extensions of, and can be read together with, the findings of the earlier study. A full account of what the dataset comprises, and how it was compiled, is provided in the first study.⁸ In summary, the dataset comprises every proceeding that was commenced with a service provider under the auDRP, from its inception on 1 August 2002 until 31 July 2017. This population of commenced proceedings contains a sub-population of “determined” proceedings – that is, proceedings that progressed to a determination by a panel. As reported in the first study, 559 proceedings were commenced, and 470 of those progressed to a determination.⁹

For each of the 470 proceedings that progressed to a determination, the panel’s published decision was obtained via the hyperlink to pages of “Archived Proceedings” contained on the website of .au Domain Administration Ltd (auDA), the body with administrative, regulatory and policy responsibility for the .au ccTLD.¹⁰ Each decision was closely read by a legally trained researcher with knowledge of the auDRP. A range of information was extracted from each decision by the researcher, and was entered into a relational database, including: whether the complaint failed or succeeded; for each of the para 4(a) requirements, whether or not it was found to be satisfied; and which, if any, of the various circumstances of paras 4(b) and 4(c) were found to be established.

⁸ Christie, Gloster and Goddard, n 4, 9–10.

⁹ Christie, Gloster and Goddard, n 4, 11.

¹⁰ *auDA Archived Proceedings* <<https://www.auda.org.au/policies/audrp/archived-proceedings/>>.

B. Analyses

The outcome of each determined proceeding was allocated to one of two mutually exclusive categories: either the panel ordered one of the two remedies provided by the policy (“successful complaint”), or no such order was made (“failed complaint”). Three analyses of the data were initially undertaken. For each failed complaint, the panel’s decision was analysed to identify the substantive grounds of failure and, where relevant, which of the circumstances of respondent rights were found to be established. For each successful complaint, the panel’s decision was analysed to determine which of the circumstances of respondent bad faith were found to be established.

The same analyses were also undertaken in relation to a sub-set of successful and failed complaints, categorised by the nature and the status of the legal right on which the complaint was based, and by whether the respondent defaulted. In particular, the substantive grounds of failure, the circumstances of respondent rights, and the circumstances of respondent bad faith, were assessed separately: (1) for complaints based solely on a trademark, solely on a name, and jointly on a trademark and a name; (2) for complaints based solely on a registered trademark, solely on an unregistered trademark, and jointly on a registered and an unregistered trademark; and (3) for complaints in which the respondent defaulted and in which a response was filed.

III. RESULTS

A. All Complaints

The earlier study found that the more likely outcome of a proceeding is a successful complaint. Of the 470 proceedings which progressed to a determination by a panel, 345 succeeded.¹¹ In the remaining 125 cases, the complaint failed, either because of a procedural flaw or because one or more of the three requirements of para 4(a) were not satisfied.

Failed complaints

Four complaints were dismissed on a procedural ground. In each case, it was a different procedural ground – being: the named respondent was not the holder of the domain name;¹² the consolidation of multiple respondents was not permissible;¹³ the consolidation of multiple complainants was not permissible;¹⁴ and the refiling of the complaint was not permissible.¹⁵

For the 121 cases in which the complaint failed on a substantive ground, Figure 1 shows the proportion (% value) and number (n value) of them in which the para 4(a) requirements were found to be *not* satisfied. The percentages in Figure 1 add to greater than 100% because in more than nine-tenths of failed complaints more than one of the requirements was found not satisfied. The most common substantive ground of failure was the inability of the complainant to satisfy the no rights requirement. This occurred in nearly nine-tenths of all unsuccessful cases. In the nine unsuccessful complaints in which *only one* requirement was found not satisfied, it was the no rights requirement in four of them and the bad faith requirement in five. In no complaint was failure to satisfy the similarity requirement the only substantive ground of failure.

¹¹ Christie, Gloster and Goddard, n 4, 16.

¹² *Bikram Yoga Australia Pty Ltd v Mark Reinierse* (LEADR, Case No auDRP17/10).

¹³ *National Dial A Word Registry Pty Ltd v 1300 Directory Pty Ltd* (WIPO, Case No DAU2008-0021).

¹⁴ *Mark Livesey QC and The New South Wales Bar Association v Derek Minus and Dispute Resolution Associates Pty Ltd* (WIPO, Case No DAU2014-0011).

¹⁵ *Cash Converters Pty Ltd v Casshies Investments Pty Ltd* (WIPO, Case No DAU2014-0035).

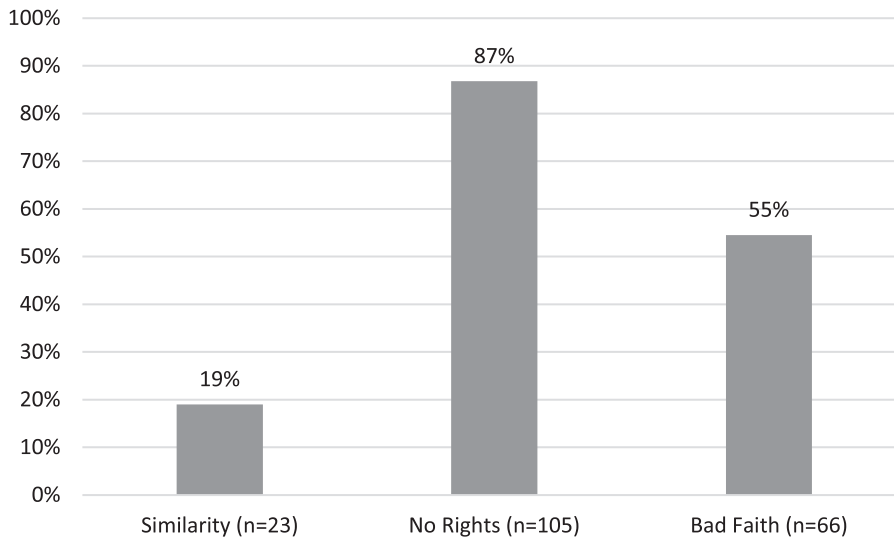


FIGURE 1. Substantive ground of failure (para 4(a) requirements found *not* satisfied) in failed complaints.

Of the 105 failed complaints in which the complainant was unable to satisfy the no rights requirement, the respondent was able to establish a para 4(c) or other circumstance of respondent rights in nearly three-quarters of them. In the remainder of those failed complaints, the panel simply found that the complainant had failed to discharge the onus of proving that the para 4(a)(ii) requirement was satisfied.¹⁶ Figure 2 shows the proportion and number of cases in which a para 4(c) or other circumstance of respondent rights was found established. The percentages add to greater than 100% because in three-quarters of failed complaints more than one of the circumstances was established. The bona fide use circumstance was the one most often found established – in more than nine-tenth of cases it was found established together with at least one of the alternative circumstances, and in nearly one-quarter of cases it was the *only* circumstance found established.¹⁷

¹⁶ According to auDRP, para 4(a) final sentence: “In an administrative proceeding, the complainant bears the onus of proof.” Because the para 4(a)(ii) requirement concerns the respondent *not* having something (in this case, rights or legitimate interests in the domain name), the complainant may face the inherent impossibility of having to “prove a negative”. In response to this, panels have interpreted the complainant’s burden in relation to para 4(a)(ii) as being to establish a *prima facie* case that the respondent does not have rights or legitimate interests in the domain name. If that burden is met, the burden of production shifts to the respondent, requiring it to provide evidence or plausible assertions demonstrating rights or legitimate interests in the domain name. If the respondent fails to provide such, a complaint is generally deemed to have satisfied the para 4(a)(ii) requirement: *auDA Overview of Panel Views on Selected auDRP Questions First Edition* (auDA auDRP Overview 1.0) s 2.1 <https://assets.auda.org.au/a/2020-11/auDRP-Overview-2014b.pdf?VersionId=yjOrxJkeDYxTarz7Uc8EOpML_5KCE9z1>. The data extracted from the decisions does not distinguish between, on the one hand, a complainant’s failure to establish a *prima facie* case that the respondent does not have rights or legitimate interests in the domain name and, on the other hand, a complainant’s failure to establish that the respondent does not have rights or legitimate interests in the domain name despite having established a *prima facie* case to that effect.

¹⁷ There were only two cases in which a circumstance of failure other than the bona fide use circumstance was the only circumstance found establish – in one it was the commonly known circumstance, in the other it was the fair use circumstance.

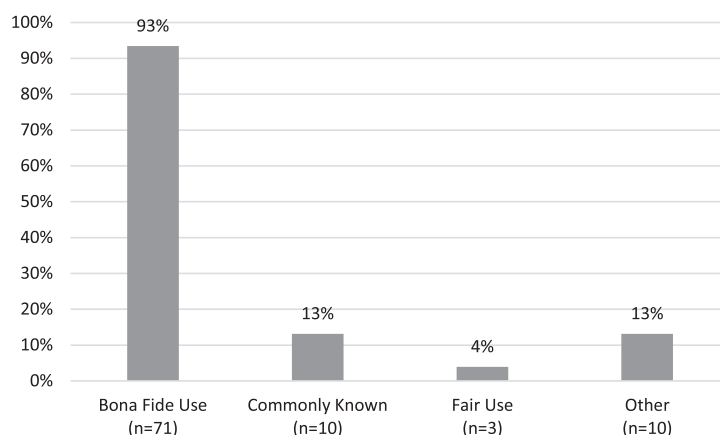


FIGURE 2. Circumstance of respondent rights established in failed complaints.

In the small number of failed complaints (10 cases) in which a circumstance other than one of those specified in para 4(c) was found established, most often (six cases) it was descriptive use of the domain name.¹⁸

Successful Complaints

Figure 3 shows the proportion and number of cases in which a para 4(b) or other circumstance of respondent bad faith was found to be established in successful complaints. The percentages add to greater than 100% because in just over one-half of successful complaints more than one of the para 4(b) or other circumstances was found established. The circumstance most often established was the confusion circumstance. In more than three-fifths of all successful complaints it was found established together with at least one of the alternative circumstances, and in 29% of successful complaints it was the *only* circumstance found established. The alternative circumstances were found established at frequencies that were notably less than the confusion circumstance, but (except for the ineligibility circumstance) were similar to each other. In only six successful complaints was the ineligibility circumstance found established, and in just one case was it the *only* circumstance of found established.

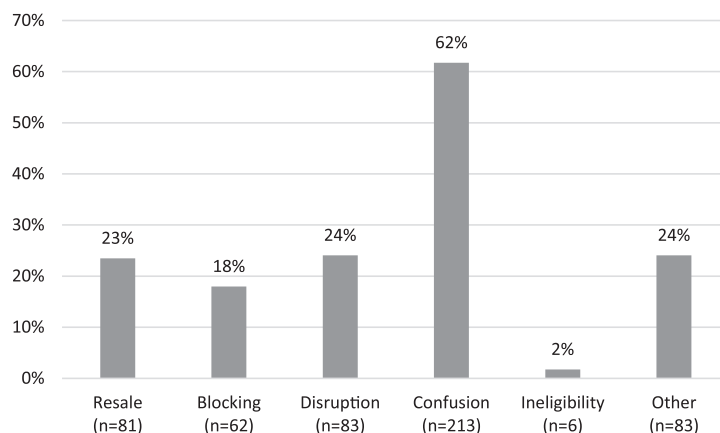


FIGURE 3. Circumstance of respondent bad faith established in successful complaints.

¹⁸ In only two failed complaints was an “other” circumstance the *only* circumstance found to be established. In one of those cases, it was descriptive use of the domain name; in the other case, it was non-infringing (trademark) use.

In the 83 successful complaints in which a circumstance other than one of the five specified in para 4(b) was established, most often it was prior awareness of the complainant's trademark (53 cases), followed by passive holding of the domain name (17 cases). In 21 successful complaints, an "other" circumstance was the *only* circumstance found to be established – of which the most common was prior awareness of the complainant's trademark (11 cases).

B. Complaints Based on Trademark versus Name

The earlier study found that 66% of complaints were based solely on a trademark, with only 12% based solely on a name and 21% based jointly on a trademark and a name. Complaints based solely on a trademark had a 79% success rate, statistically significantly higher than the success rates of complaints based solely on name (60%) and complaints based jointly on a trademark and a name (65%).¹⁹

Failed Complaints

The proportion and number of cases in which the para 4(a) requirements were found not satisfied where the complaint failed on a substantive ground is shown in Figure 4, separately by the legal basis on which the complaint was based (noting that more than one requirement might be found to be not established in any particular case). For complaints based on a trademark (either solely or jointly with a name), the most common ground of failure was the complainant's inability to satisfy the no rights requirement, by a significant margin over the bad faith requirement. The situation is different for failed complaints based solely on a name – the no rights requirement and the bad faith requirement failed to be satisfied with equal frequency (78%).

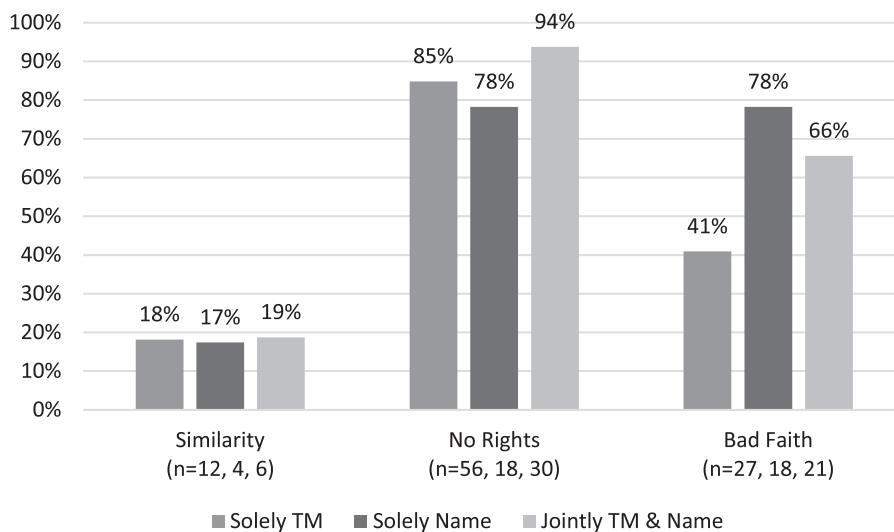


FIGURE 4. Substantive ground of failure (para 4(a) requirements found *not* satisfied) in failed complaints, by legal right on which complaint based.

Of the failed complaints in which the no rights requirement was found not satisfied, the respondent established a para 4(c) or other circumstance of respondent rights in 68% of those based solely on a trademark, in 83% of those based solely on a name, and in 67% of those based on both. Figure 5 shows the proportion and number of such failed complaints, by legal right on which the complaint was based (noting that more than one circumstance might be found established in any particular case). For all three categories of complaint, the bona fide use circumstance was the one most often found established, by a significant margin over any of the alternative circumstances.

¹⁹ Christie, Gloster and Goddard, n 4, 18.

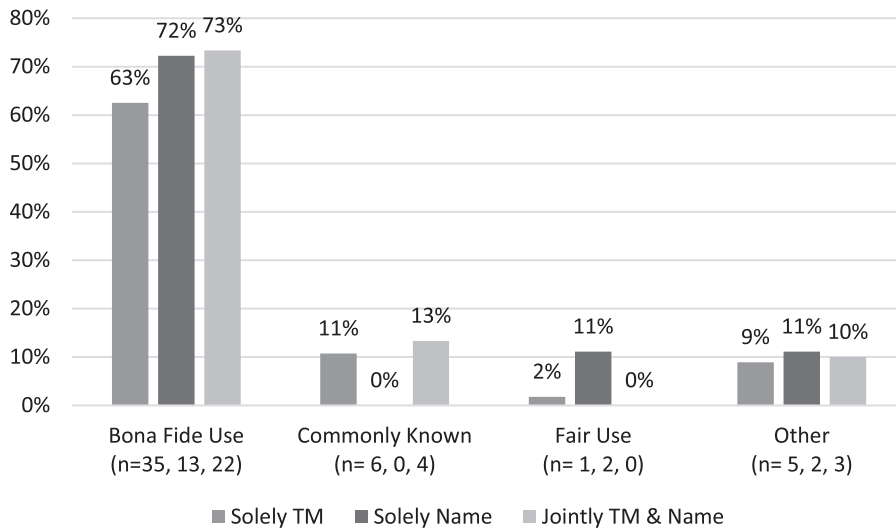


FIGURE 5. Circumstance of respondent rights established in failed complaints, by legal right on which complaint based.

Successful Complaints

Figure 6 shows the proportion and number of cases in which a para 4(b) or other circumstance of respondent bad faith was found to be established in successful complaints, separately by the legal basis on which the complaint was based (noting that more than one circumstance might be found established in any particular case). For all three categories of complaint, the confusion circumstance was the one most often established, with this notably more common in complaints based solely or jointly on a trademark than in complaints based solely on a name. There is also notable difference between the categories in how often the blocking circumstance was found established, with this circumstance being notably less common in complaints based solely on a trademark.

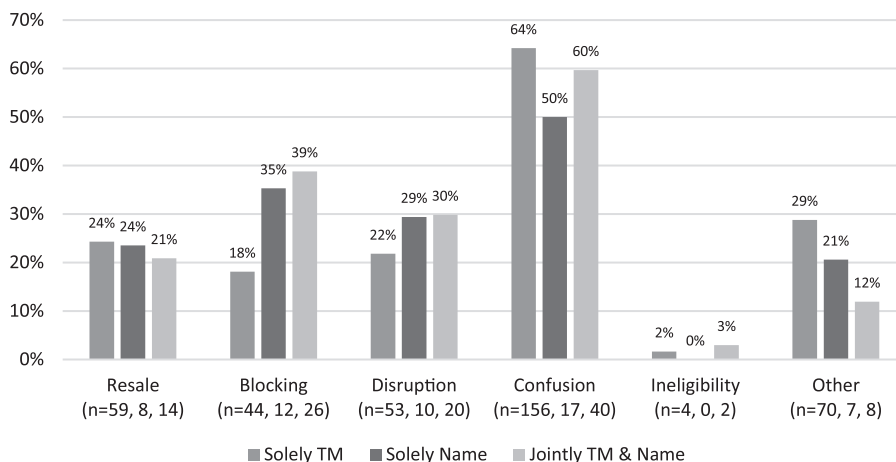


FIGURE 6. Circumstance of respondent bad faith established in successful complaints, by legal right on which complaint based.

Where an “other” circumstance was found established in successful complaints based solely on a trademark, most often it was prior awareness of the complainant’s trademark (47 cases); the next most

common other circumstance was passive holding (12 cases). In nine complaints, prior awareness of the complainant's trademark was the *only* circumstance of success found established. Where an "other" circumstance was found established in the small number of successful complaints of the two other types, for those based solely on a name most often it was provision of false or misleading registration or other information (three cases), while for those based jointly on a name and a trademark it was prior awareness of the complainant's trademark (five cases).

C. Complaints Based on Registered Trademark versus Unregistered Trademark

The earlier study found that where the complaint was based on a trademark, 91% of the time that trademark was registered. For such complaints, the rate of success was 81% – statistically significantly higher than the rates of success for the small number of complaints based either solely on an unregistered trademark (55%) or jointly on a registered and an unregistered trademark (77%).²⁰

Failed Complaints

The proportion and number of cases in which the para 4(a) requirements were found not satisfied where the complaint failed on a substantive ground is shown in Figure 7, separately for the type of trademark on which the complaint was based (noting that more than one requirement might be found to be not established in any particular case). For all three categories of failed complaint, the no rights requirement was most often found not satisfied, at similar frequencies.

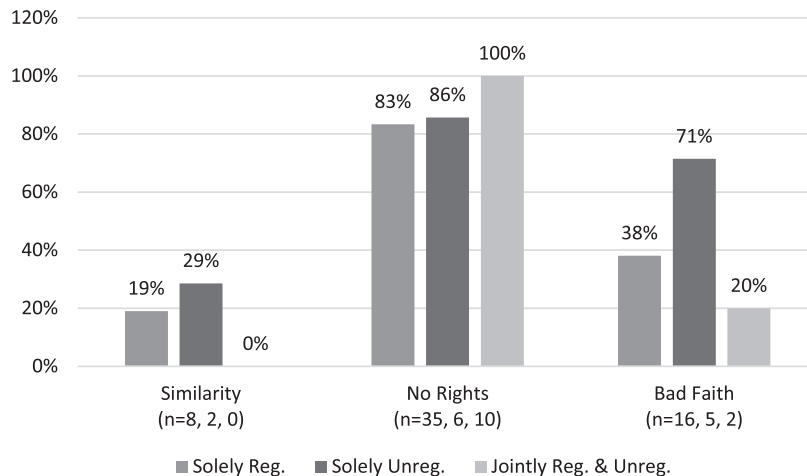


FIGURE 7. Substantive ground of failure (para 4(a) requirements found *not* satisfied) in failed complaints, by type of trademark on which complaint based

Of the failed complaints in which the no rights requirement was found not satisfied, the respondent was able to establish a para 4(c) or other circumstance of respondent rights in 60% of those based solely on a registered trademark, in 67% of those based solely on an unregistered trademark, and in 80% of those based jointly on a registered and an unregistered trademark. Figure 8 shows the proportion and number of such failed complaints in which a circumstance of respondent rights was found established, by type of trademark on which the complaint was based (noting that more than one circumstance might be found established in any particular case). Because the number of such complaints is small for all three categories (21, 4 and 8, respectively), no meaningful observations can be drawn from those data.

²⁰ Christie, Gloster and Goddard, n 4, 19.

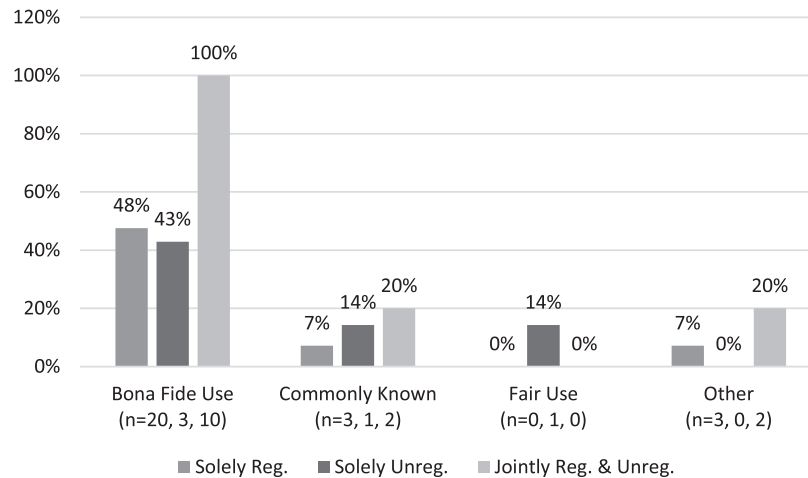


FIGURE 8. Circumstance of respondent rights established in failed complaints, by type of trademark on which complaint based.

Successful Complaints

Figure 9 shows the proportion and number of cases in which a para 4(b) or other circumstance of respondent bad faith was found to be established in successful complaints, separately for the type of trademark on which the complaint was based (noting that more than one circumstance might be found established in any particular case). For all three categories of complaint, the confusion circumstance was the one most often found established, although this was markedly less common in complaints based solely on a registered trademark. Where an “other” circumstance was found established in the successful complaints based either solely or jointly on a registered trademark, most often it was prior awareness of the complainant’s trademark.²¹

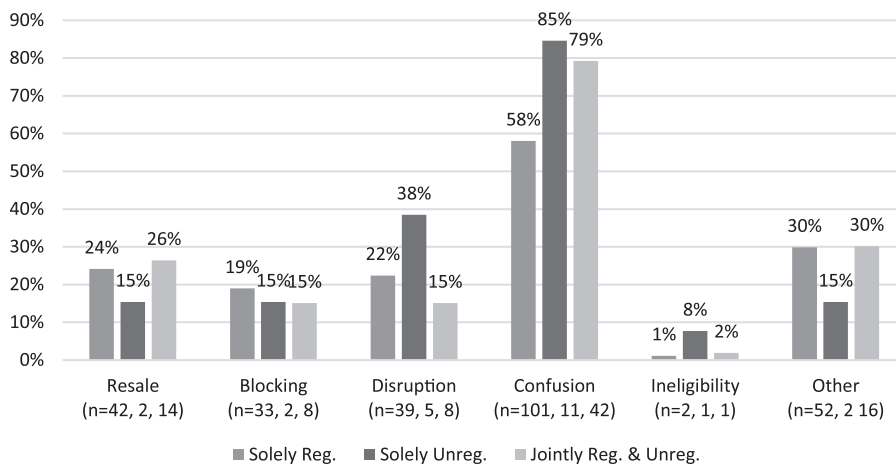


FIGURE 9. Circumstance of respondent bad faith established in successful complaints, by type of trademark on which complaint based.

²¹ This “other” circumstance was found in 35 cases based solely on a registered trademark, and in 10 cases based jointly on a registered and an unregistered trademark.

D. Complaints in which Respondent Defaults versus Files a Response

The earlier study found that the respondent defaulted (ie, failed to file a response) in nearly two-fifths (38%) of cases. In those complaints, the rate of success was 95% – statistically significantly higher than the 60% rate of success for complaints in which a response was filed.²²

Failed Complaints

The proportion and number of cases in which the para 4(a) requirements were found not satisfied where the complaint failed on a substantive ground is shown in Figure 10, separately for complaints where the respondent defaults and where the respondent files a response (noting that more than one requirement might be found to be not established in any particular case). In complaints in which the respondent filed a response, both the no rights requirement and the bad faith requirement were most often found to be not satisfied, to an equal degree. In only a small number of cases (four each) was one of those two requirements the *only* requirement found not satisfied. Because the number of failed complaints in which the respondent defaulted is very small (nine cases), no meaningful observations can be drawn from the data on those complaints.

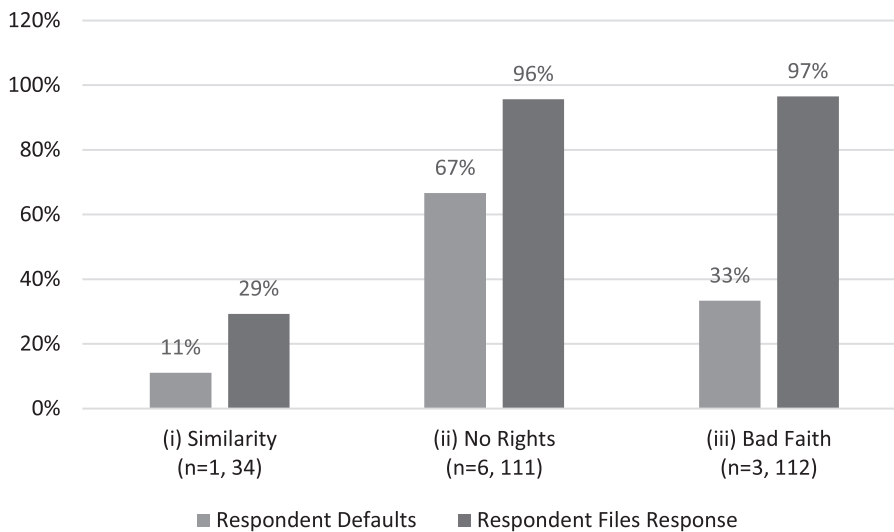


FIGURE 10. Substantive ground of failure (para 4(a) requirements found *not* satisfied) in failed complaints, by whether respondent defaults.

Figure 11 shows the proportion and number of failed complaints in which a circumstance of respondent rights was found established, by whether or not the respondent defaulted (noting that more than one circumstance might be found established in any particular case). In complaints where the respondent filed a response, the bona fide use circumstance was the one most often found established. For those complaints, where a circumstance other than one specified in para 4(c) was found established, in most cases (67%) it was descriptive use of the domain name. Because of the small number of failed complaints in which the respondent defaulted, no observations will be drawn from the data on them.

²² Christie, Gloster and Goddard, n 4, 20.

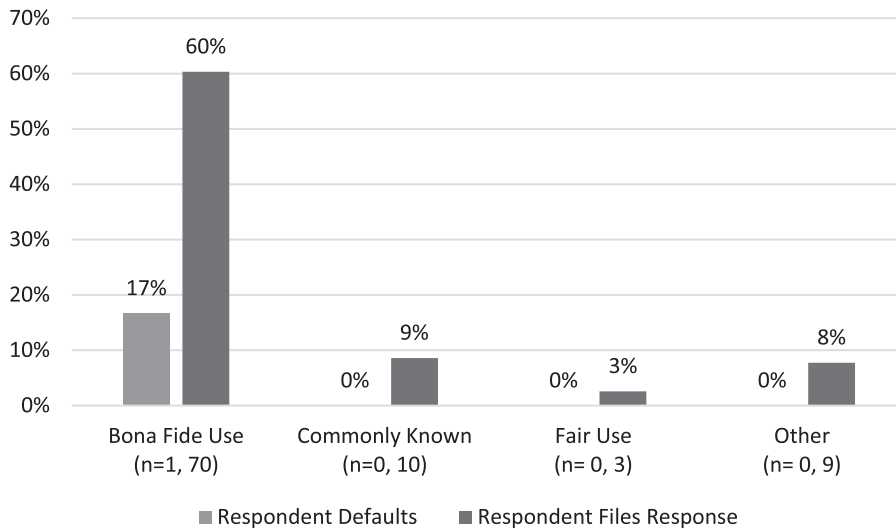


FIGURE 11. Circumstance of respondent's rights established in failed complaints, by whether respondent defaults.

Successful Complaints

The proportion and number of cases in which a para 4(b) circumstance of respondent bad faith was found to be established in successful complaints is shown in Figure 12, separately for complaints where the respondent defaults and where the respondent files a response (noting that more than one circumstance might be found established in any particular case). For both categories of complaint, the confusion circumstance was most often established, and was established equally frequently. The most often found "other" circumstance was the same for both categories of complaint – being prior awareness of the complainant's trademark. This was also the circumstance with the greatest difference in the rate at which it was found established across the two categories.

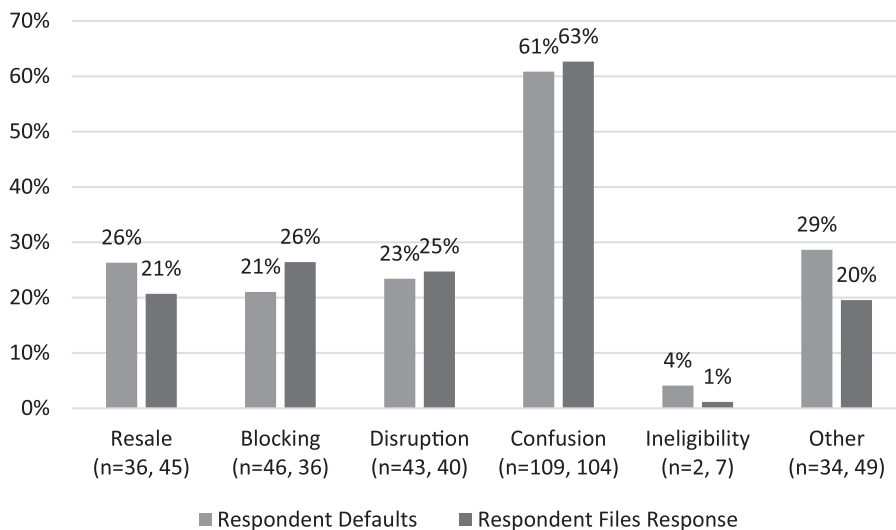


FIGURE 12. Circumstance of respondent bad faith established in successful complaints, by whether respondent defaults.

IV. DISCUSSION

A. Complaints Generally

When a complaint fails, the most common substantive ground of failure is the complainant's inability to satisfy the para 4(a)(ii) no rights requirement (the respondent does not have rights or legitimate interests in the domain name). The typical reason for this is that the respondent has been able to establish the para 4(c)(i) bona fide use circumstance of respondent rights (use of the domain name in connection with a bona fide offering of goods or services). This outcome is almost certainly due to the existence of eligibility requirements for registration of a domain name in the .au ccTLD. For registration at the third level,²³ it is a requirement that the domain name match to, or be connected with, the registrant's name, trademark, or goods/services.²⁴ Because of this, it is to be expected that a respondent will generally have a basis for claiming rights or legitimate interests in their domain name, and thus will often have a plausible ground for defending the complaint. The data confirms that this is so.

This finding almost certainly explains the difference between the auDRP and the UDRP in the overall success rates of complaints. The earlier article established that complaints under the auDRP succeed at a statistically significant lower rate (74%) than complaints under the UDRP (89%).²⁵ The UDRP applies to open gTLDs, which do not have any eligibility requirements. Since there are no eligibility requirements, registrants of domain names in open gTLDs do not need to have, and so are less likely than .au registrants to have, a basis for claiming rights or legitimate interests in the domain name. This, in turn, makes it easier, in the typical case, for an UDRP complainant than an auDRP complainant to prove that the respondent has no rights or legitimate interests in the domain name.

It is notable that in no failed complaint was the complainant's inability to prove that the domain name was identical or confusingly similar to its trademark or name the *only* reason for failure. This indicates that the para 4(a)(i) requirement is generally easy to satisfy – demonstrating that, like the equivalent in the UDRP, it is a “standing” requirement with a relatively low threshold.²⁶

When the population of all successful complaints is considered, it is seen that the para 4(b)(iv) confusion circumstance (attracting Internet users by creating confusion between the domain name and the complainant's trademark or name) is found to be satisfied much more often than any other. This indicates that the majority of complaints under the auDRP are filed against respondents who are actively using the domain name. This is consistent with the finding that the typical circumstance of the respondent rights established in failed complaints is the para 4(c)(i) bona fide use circumstances. Together, these two observations show that, far from being typical, the classic “cybersquatting” scenario of registering, but not using, a domain name – in particular, for the purpose of selling it to the owner of the trademark to which it is identical or confusingly similar – is rarely seen in the .au ccTLD.

B. Legal Basis of Complaints

When complaints are considered by the different type of legal right on which they are based, likely reasons for the significant difference in their success rates can be seen.

Trademarks and Names

It is notable that the complainant's inability to satisfy the para 4(a)(i) similarity requirement (the domain name is identical or confusingly similar to the complainant's trademark or name) is equally common

²³ The ability to obtain registration of a domain name in the .au ccTLD at the second level (“direct registration”) did not occur until 2022. Thus, the dataset of this study only relates to complaints filed against domain names registered at the third level – that is, in .com.au, .net.au, .org.au, .asn.au, and .id.au.

²⁴ .au Domain Administration Rules: Licensing (Licensing Rules), paras 2.4.4–2.4.8. This is in addition to the requirement, applicable to all registrations in the .au ccTLD, that the registrant has an Australian presence: para 2.4.1.

²⁵ Christie, Gloster and Goddard, n 4, 22.

²⁶ See WIPO, *WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (WIPO Jurisprudential Overview 3.0)* (2017) s 1.7.

in failed complaints, whatever the legal right on which it is based. Thus, the difference in failure rates between complaints that do and do not involve a trademark is not due to a difference in the ease of proving that a domain name is identical or confusingly similar to a trademark than a name.

Complaints based on a trademark (either solely or jointly) more often fail due to the complainant's inability to satisfy the no rights requirement rather than the para 4(a)(iii) bad faith requirement (the domain name was registered or used in bad faith). In contrast, complaints based solely on a name fail to satisfy the two requirements equally often. This indicates that it is *relatively* harder to satisfy the bad faith requirement where the complaint is not based on a trademark. This is consistent with the finding that, where a complaint succeeds, the para 4(b)(iv) confusion circumstance of respondent bad faith is more often established when the complaint is based on a trademark (whether solely or jointly) than only on a name.

The reason for the above two findings is most likely the difference in the essential nature of a trademark compared with that of a name. A trademark (whether registered or unregistered) is, by definition, distinctive – that is, it is capable of distinguishing the goods or services of one trader from those of another. Because of this, a trademark can be used as a badge of origin, to distinguish the goods or services of the trademark owner from those of other traders. In contrast, a name need not be distinctive. Where it is not distinctive, a name cannot be used as a badge of origin. It is likely to be more difficult to prove confusion through the use of a domain name when that to which the domain name is identical or similar is not distinctive – that is, when the complainant's basis for the complaint is a name rather than a trademark.

It is also notable that the para 4(b)(ii) blocking circumstance of respondent bad faith (registering the domain name to prevent the complainant from reflecting their trademark or name in a domain name) is more often established in successful complaints when they are based on a name (whether solely or jointly) than only on a trademark. The reason for this is not certain, but is likely to be simply a relative consequence of the preceding observation. For blocking to occur, it is not necessary that the thing being blocked from inclusion in a domain name is distinctive. All that is necessary is that registration of the domain name prevents the complainant from having a domain name incorporating their trademark or name. Thus, where the complaint is based on a name, it is *relatively* easier for the complainant to establish the blocking circumstance than the confusion circumstance.

Registered and Unregistered Trademarks

Whether or not the complainant's trademark is registered does not impact on the ease with which the complainant can satisfy the similarity requirement and the no rights requirement of the Policy. It does, however, have an impact on the ease of satisfying the bad faith requirement. Where the complainant's trademark is unregistered, it is notably more difficult for the complainant to prove the respondent's bad faith. Unfortunately, due to the small number of cases in this subset of the population it is not possible to draw from the data a reason why this is so.

In complaints that succeed, the confusion circumstance of respondent bad faith is more often established when the complaint is based (solely or jointly) on an unregistered rather than a registered trademark. At first glance, this result is surprising, as it seems counter-intuitive. It might be thought that it would be easier for a complainant to establish that the respondent has created confusion between a domain name and a trademark when the trademark is registered. On further thought, however, it seems that the reason this is not so is because of what qualifies as an unregistered trademark for the purpose of the Policy.

Panel decisions have established that, where a trademark is not registered, a complaint under the Policy can be founded on it only if the complainant can prove that the trademark has acquired "secondary meaning" – that is, as a matter of fact it has become a distinctive identifier associated with the complainant or its goods or service ("factual distinctiveness").²⁷ To satisfy the Panel that an unregistered trademark has factual distinctiveness, the complainant typically needs to provide evidence about the length and amount of sales under the trademark, the nature and extent of advertising using the trademark, surveys

²⁷ See auDA auDRP Overview 1.0, n 16, s 1.7.

of consumer recognition of the trademark, and/or media references to the trademark.²⁸ In contrast, such evidence is generally not required to obtain registration of a trademark; rather, all that is required is that the trademark inherently has a distinctive nature (“inherent distinctiveness”). Thus, where a complainant has satisfied the panel that its trademark meets the requirements of the Policy for being an unregistered trademark, the panel will have been presented with evidence of the factual distinctiveness of the trademark. Such evidence may have been, but does not *need* to have been, presented to the panel where the complaint is based on a registered trademark. It is likely that it is the necessary presentation of evidence of factual distinctiveness which makes it easier for the complainant to establish the confusion circumstance in cases where their trademark is unregistered.

C. Respondent’s Participation

When successful complaints are considered by whether or not a response is filed, it is seen that the various circumstances of respondent bad faith are found established similarly often. This is surprising, as it might be thought that the cases in which the respondent chooses to reply to the complainant’s claims would be factually different from those in which the respondent chooses not to do so. However, the finding that there is little difference in the frequency with which the various circumstances of respondent bad faith are found established in the two scenarios suggests that this is not so.

There remains the question of why complaints succeed statistically significantly more often in default cases. Importantly, the data show that the rate of non-satisfaction of the bad faith requirement is much higher in the subset of cases in which a response is filed than it is in the set of all cases combined. This indicates that it is more difficult for the complainant to prove bad faith when the respondent chooses to contest the complaint. The reason for this is likely to be a combination of both practice and principle. Simply as a matter of practice, it will be easier for a complainant to establish bad faith where there is no countervailing argument and evidence presented to the panel by the respondent. In addition, a respondent’s failure to respond makes it easier for the complainant to establish bad faith due to two principles. First, panels can,²⁹ and do,³⁰ draw appropriate inferences from a respondent’s default, including that the complainant’s factual allegations that are not inherently implausible are true, and that any evidence the respondent might have given would not have been in its favour. Second, panels may treat the act of default itself as being evidence of the respondent’s bad faith.³¹

V. CONCLUSION

While it is helpful to know which factors of cases are associated with failure and success, it is even more helpful to understand the reasons for the associations. Whereas the former identifies the characteristics associated with a particular outcome, the latter explains the effect of those characteristics on the outcome – allowing the drawing of conclusions about causation. Through a close reading of the population of decisions rendered during the first 15 years of the auDRP’s operation, it is possible to identify some determinants of, and hence explanations for, failure and success in Australian domain name disputes.

Complaints typically fail due to the complainant’s inability to prove that the respondent does not have rights or legitimate interests in the domain name. This is so whatever is the nature of the legal right (name or trademark) on which the complaint is based, and whether or not the respondent defaults. It

²⁸ auDA auDRP Overview 1.0, n 16, s 1.7.

²⁹ Schedule B to *auDRP*, n 2, is the Rules for .au Dispute Resolution Policy (“auDRP Rules”). Rule 14(b) of the auDRP Rules states: “If a Party, in the absence of exceptional circumstances, does not comply with any provision of, or requirement under, these Rules or any request from the Panel, the Panel shall draw such inferences therefrom as it considers appropriate.” Panels have applied r 14(b) of the auDRP Rules to a failure of the respondent to respond: see, eg, *Supre Pty Ltd v Paul King* (WIPO, Case No DAU2004-0006).

³⁰ See auDA auDRP Overview 1.0, n 16, s 4.6.

³¹ See, eg, *Harness Racing Australia v Acronym Wiki Pty Ltd* (WIPO, Case No DAU2011-0007) (“the fact that the Respondent ... did not file a Response is further evidence that reinforces a finding of bad faith”), and *QSA Brands Pty Ltd v Domain Administrator, Internet Service Consultants Pty Ltd* (WIPO, Case No DAU2022-0008) (“The fact that the Respondent ... has failed to respond to the Complaint reinforces the Panel’s view of the Respondent’s bad faith”).

seems clear that the reason for complainant's relative difficulty in proving the no rights requirement is the existence of eligibility requirements for registration of a domain name in the .au ccTLD. The administrator of the .au ccTLD, auDA, explains that the objects of the eligibility requirements include promoting consumer protection, fair trading, and competition.³² The findings of this study show that the eligibility requirements help deliver those objects in respect of disputes between name or trademark owners and domain name holders. Those findings also explain why the overall success rate is significantly lower under the auDRP than under the UDRP – namely, because relatively fewer .au domain names are registered by a respondent who has no basis for claiming an entitlement to it.

Overall, complaints typically succeed because the complainant can prove that the respondent is using the domain name to attract Internet users to a website by creating confusion between the domain name and the complainant's legal right (its name or trademark). Complaints succeed more often when they are based on a trademark rather than on a name, because of the necessarily distinctive character of a trademark compared with a name. It is relatively easier to establish that the respondent has used the domain name to create confusion when the legal right to which the domain name is identical or similar is distinctive of the complainant. It is also relatively harder for the respondent to establish it has rights in a domain name when it is identical or similar to a legal right that is distinctive of the complainant. Complaints based on a registered trademark succeed more often than those based on an unregistered trademark, because it is relatively easier for the complainant to prove that the respondent has acted in bad faith where the complainant's trademark is registered. Finally, complaints in which the respondent does not file a response succeed more often because it is easier in those cases for the complainant to satisfy *all* of the requirements of the Policy.

While most of these findings might be thought unsurprising, that does not mean they are unimportant. In fact, the study's findings are of significance in at least two ways. First, by empirically establishing *which* factors determine failure or success in domain name disputes under the auDRP, future disputants are better placed to assess the likely outcome of their cases. This contributes to the efficiency of the auDRP dispute resolution procedure. Second, by empirically establishing the reason *why* certain factors are determinative of failure or success, the coherency of the auDRP dispute resolution procedure can be assessed. The fact that almost all of the determinants can be explained by reference to the characteristics of the context in which the auDRP operates – in particular, the eligibility requirements for .au domain name registration, and the differences inherent in the nature of the various legal rights (name or trademark) on which a complaint may be based – indicates that the outcomes of auDRP panel decisions are not illogical and arbitrary. This finding supports the view that the auDRP is a well-designed dispute resolution procedure.

³² Licensing Rules, n 24, para 1.3.