

## **REMAINING OPTIONS FOR WORKING GROUP DISCUSSION**

### **26 September 2017**

#### Preliminary Notes:

The co-chairs are proposing that the Working Group move toward a Final Report through focused discussion of the following options, with a view toward evaluating if it will be possible to gain consensus on any of them. Other options that were discussed previously by the Working Group have not been included in this proposal based on the co-chairs' assessment either that their essential elements have been adapted and incorporated into Option C (below), or that they were based on an incomplete reading of the applicable rules (i.e. the previous Option 4).

The Co-Chairs start by observing that members of the Working Group seem to have achieved a high degree of consensus on almost all main elements of a Final Report:

- Domain registrants should have continued access to a court of mutual jurisdiction when an IGO is the complainant in a dispute resolution process (DRP)
- Trademark rights should remain the sole basis for establishment of an IGO's standing to file a DRP complaint
- An IGO's assertion of Paris Convention Article 6ter protections in national trademark systems can be evaluated by DRP panelists as evidence of unregistered rights (in the absence of registered trademark rights)
- IGOs can mitigate any threat to a jurisdictional immunity claim by filing a DRP through an agent, assignee, or licensee

Despite that broad consensus we have been engaged in protracted discussion of what should occur in a hypothetical situation that, to our knowledge, has never occurred in reality – a domain registrant filing suit in a national court following an adverse DRP ruling, and the Complainant IGO then successfully asserting jurisdictional immunity in that forum. The other elements of our broad consensus do nothing to make such a scenario more likely; indeed, IGOs that file a DRP through a third party are less likely to ever assert immunity in a judicial forum. Yet the choice we make on that final detail addressing a hypothetical occurrence may determine whether our overall report and recommendations are accepted by GNSO Council and, subsequently, the ICANN Board.

The co-chairs note that they have retained Option A (known previously as Option 1) for discussion because it is an option that several Working Group members have supported. However, the co-chairs wish to reiterate that in their view Option A is: (a) an inappropriate departure from our prior decision that ICANN should avoid taking any position that seeks to limit legal rights or prejudge the outcome of any judicial proceeding; and (b) subject to strong criticism as it would vitiate a prior UDRP finding of cybersquatting by a domain registrant upon an IGO's successful assertion of an immunity defense. The co-chairs recognize that although there may be examples where UDRP panels have reached incorrect decisions, the best means to address such error is through judicial recourse, or resolution via arbitration as proposed in Option C.

The co-chairs further observe that Option A would leave IGOs in a worse position than they would be under the status quo (as successful assertion of judicial immunity would remove the stay on enforcement of the prior UDRP decision), and since this would leave the IGO with no further available remedy against the alleged cybersquatting, is highly unlikely to be approved by the GNSO Council or the ICANN Board, especially as this PDP was chartered to evaluate whether and how access to the UDRP and URS could be improved for IGOs and INGOs.

The co-chairs further believe that in addition to its complexity (regarding such matters as whether a “grandfathered” domain remains so following a change in control), that Option B is unlikely to secure Council or Board approval because it incorporates Option A for grandfathered domains, and clearly establishes the new arbitration option solely for domains registered after its implementation date. They further observe that it would leave registrants of grandfathered domains without any arbitral appeal option in the event that an IGO successfully invoked judicial process immunity.

Options for Further Discussion:

**Option A:**

Where a losing registrant challenges the initial UDRP/URS decision by filing suit in a national court and the IGO that succeeded in its initial UDRP/URS complaint also succeeds in asserting a claim of jurisdictional immunity in that court, the decision rendered against the registrant in the predecessor UDRP or URS shall be vitiated.

**Option B:**

In relation to domain names registered before [date], Option A applies. In relation to domain names registered after [date], Option C shall apply for a limited period (duration to be determined). At the expiration of this limited period, ICANN and the various dispute resolution providers (including any who have administered arbitration proceedings under the new Option C) will conduct a review to determine if there were any negative consequences as a result of “trying out” Option C in this way.

**Option C:**

Where a complainant IGO succeeds in a UDRP/URS proceeding, the losing registrant proceeds to file suit in a court of mutual jurisdiction, and the IGO subsequently succeeds in asserting jurisdictional immunity, the registrant shall have the option to transfer the dispute to an arbitration forum meeting certain pre-established criteria for determination under the national law that the original appeal was based upon, with such action limited to deciding the ownership of the domain name. An IGO who files a complaint under the UDRP/URS shall be required to agree to this limited arbitration mechanism when filing the complaint. The parties shall have the option to mutually agree to limit the original judicial proceedings to solely determining the ownership of the domain name. Subject to agreement by the registrant concerned, the parties shall also be free to utilize the limited arbitration mechanism described above at any time prior to the registrant filing suit in a court of mutual jurisdiction.