Philip S. Corwin – Questions and Comments relating to Prof. Edward Swaine’s April 22nd Draft Memo on IGO Immunity

1. Introduction and Summary

Q. Even if “an IGO’s protection of its name is likely to be deemed part of its functions” (p.3), would that apply to the acronym of its name?

Q. How would an “assignment of rights” approach to an IGO’s filing of a UDRP operate?

Q. In regard to the observation that “An alternative dispute resolution would also require compliance by a third party, ICANN, to a greater than conventional degree” (p.3), what additional compliance measures would be required?

Immunity obligations vary by a wide variety of factors, making it infeasible to fashion a single approach for all IGOs.

2. Background

Q. In regard to “Article 6*ter* of the Paris Convention, as augmented by the Trademark Law Treaty of 1994 and the Singapore Treaty on the Law of Trademarks, extends to certain IGOs protections for, inter alia, their names and abbreviations, giving rise in appropriate circumstances to a protectable interest they may seek to vindicate” (p4), would that lead to concurrence with the WG’s preliminary conclusion that an IGO’s assertion of rights under the Paris Convention should provide a basis for standing to bring a UDRP even in the absence of a trademark registration of the IGO’s name?

Q. Footnote 14 (p.6) states, “If the registrant actually prevailed in the UDRP proceeding, the IGO has two options. First, it can acquiesce in the adverse result, rather than initiate any judicial proceedings to reconsider it. Its immunity, in that scenario, is not directly at issue—only its refusal to *compromise* that immunity. Second, and alternatively, the IGO could commence judicial proceedings, per the Mutual Jurisdiction scheme. That option exists, however, much as it would absent the UDRP (at least so long as the UDRP receives no judicial deference in the relevant jurisdiction), and amounts to a decision to waive immunity.” If the IGO has chosen to be domiciled and/or chosen a registrar in a jurisdiction that affords IGOs absolute immunity, would the court decide the case on the basis of relevant trademark law – or could it reverse the UDRP decision on the grounds that the compelled waiver of immunity violated the IGO’s immunity?

3. Discussion

A. Scope of OGO Immunity

1. Varied bases for immunity

Q. Given that the U.S. has not ratified the Convention on the Privileges and Immunities of the Specialized Agencies, that ICANN was created by the U.S. government and is a California nonprofit corporation, and that the UDRP is an ICANN Consensus Policy, would that argue for a more restrictive view of IGO immunity within the ICANN context? Likewise, under the same argument, should IGO immunity within the ICANN context be viewed through the prism of the International organizations Immunity Act (IOIA) rather than the Convention?

2. Varied approaches to immunity

a. Absolute immunity

UN-affiliated IGOs are differentiated from other IGOs.

b. Restrictive Immunity

Q. As regards, “sovereign (state) immunity has evolved from an absolute standard to what is known as “restrictive” immunity. Under the restrictive approach, states retain immunity for acts *jure imperii*, which are fundamentally sovereign in character, but lack immunity for acts *jure gestionis*—in essence, carving an exception from immunity for litigation concerning commercial activities like those undertaken by private parties” (p.14), isn’t a domain dispute involving a trademark or similar basis for standing an inherently commercial dispute? This seems to be confirmed by this statement at p. 16, “If the restrictive approach were taken, it is possible it would diminish the immunity owed an IGO. The defense of marks appears commercial in character, since it is just the sort of activity engaged in by private persons in their own commercial pursuits.’ – but undercut by this one -- “It is possible, therefore, that an IGO’s registration of trademarks in the United States solely for defensive purposes might not be deemed commercial activity”.

Noting that there is a split among U.S. Appeals Courts as to whether IGOs enjoy restrictive or absolute immunity [noting, per the discussion earlier in the memo, that any IGO may waive even absolute immunity].

c. Functional immunity

Q. This section concludes with the statement, “But an argument that it is part of an IGO’s mission to maintain the distinctive character of its name, and avoid confusing domain-name registration, and thus deserving of immunity, seems colorable or even likely to prevail.” Does this indicate a differentiation between the potential restricted immunity view that trademark-based disputes are commercial activity, and the functional immunity view that defense of its name may be part of an IGO’s mission?

Noting that courts of other nations are split on the issue of whether an IGO has the burden of demonstrating that the asserted immunity is functionally necessary, and of how to apply functional tests – and that U.S. Courts do not endorse and apply functional immunity.

B. Waiver of immunity

1. Waiver by governing instrument

The discussion notes that any inquiry into the scope of a waiver clause in an IGO’s Article of Incorporation or comparable instrument “is not easy”. However, overall, the benefits of access to the UDRP process (low-cost and fast resolution of trademark-related domain disputes) seems to outweigh the potential costs (possibility of an appeal to a court of mutual jurisdiction in a very small minority of cases).

2. Waiver by agreement or pleading

Find it highly significant the General Convention provides that even the UN’s absolute immunity may be expressly waived; and that the IOTA states that covered IGOs have immunity “except to the extent that such organizations may expressly waive their immunity for the purpose of any proceedings or by the terms of any contract”. Noting further that the analysis continues with the observation that “the concession of Mutual Jurisdiction… should relieve the jurisdiction designated and entertaining the action of any responsibility for having violating the IGO’s immunity. Sovereign immunity case law seems directly comparable in this limited regard “.

The discussion is also helpful in making clear that ICANN’s requirement of acceding to an appeal to a court of mutual jurisdiction cannot be compared to state-mandated duress, and “that nothing compels any complainant to initiate the UDRP and accept Mutual Jurisdiction” (indeed, in the absence of the UDRP the only alternative for an IGO that believes its name/acronym is being infringed would be to waive its immunity and initiate litigation).

Finally, this portion of the analysis is particularly useful in its concluding paragraph: “While national courts might nonetheless sympathize with IGO defendants, they may pause for other reasons before reading waiver narrowly. Allowing an IGO that *prevailed* in the UDRP process to avoid its waiver and rest on the UDRP result by invoking immunity, while allowing it to waive that immunity by initiating judicial proceedings in the event it has *lost* to a domain-name registrant, will likely be perceived as asymmetrical and problematic. In addition, leaving resolution to the truncated UDRP process may be resisted. **There is broad acceptance of a principle, expressed in some treaties and governing instruments, according to which IGOs *should* waive immunity in the absence of any sufficient alternative**”. (Emphasis added) Noting further that the UDRP is the only non-judicial alternative to trademark litigation.

c. The UDRP and its alternatives

Agree with the observation that “Assuming a national court would find that the Mutual Consent commitment effectuates a waiver of IGO immunity… the issue confronting ICANN [and this WG] is a policy question infused with legal principles”. This emphasizes that if the WG decides to stick with the present arrangement it is not acting in violation of any recognized legal principle.

1. Maintaining the status quo

The opening paragraph is very significant: “For the reasons discussed, **even if one assumes that an IGO would otherwise have the capacity to assert immunity to judicial process, affording them a means of surrendering that immunity via a Mutual Jurisdiction provision is not *itself* an infringement.** Accordingly, as a purely legal matter, **it seems unlikely that the Mutual Jurisdiction concession establishes or occasions a violation of IGO immunity**. And as explored further below, it may seem more appropriate to force an IGO to abide by a judicial process, given that it has elected to initiate UDRP proceedings, than to force a domain-name registrant to accept any alternative”. This seems to again make clear that the current system does not violate any legal principle, and that any alteration would bow to the preferences, and not the legal rights, of certain OGOs at the expense of depriving certain registrants of their legal rights.

The suggestion that ICANN might allow assignees or agents of an IGO to assert rights on its behalf is within the scope of this WG’s authority and is one that I would support. The related observation that, “While the validity of assignments under foreign law should not themselves be questioned, their consequences are uncertain, and will undoubtedly depend on national trademark and immunity law” again presses home the point that the question of sovereign immunity for the same IGO may be decided in opposite ways by different national courts, and that there is certainly no universal rule for all forms of IGOs. The other issues raised in regard to assignment seem secondary, and likely to arise only in the context of a rare appeal by a losing domain registrant (whereas, in the absence of the UDRP, the IGO’s only recourse would be to waive immunity and proceed in court directly).

2. Establishing Non-judicial alternatives

Q. In regard to this statement – “an alternative dispute resolution would require compliance by a third party, ICANN, to a greater degree than in a conventional bilateral contract” – I would like to know what additional compliance measures would be required of ICANN, as ICANN has shown absolutely no willingness to supervise the activities of accredited UDRP providers?

Noting at the outset that the UDRP is a non-judicial alternative, and that the memo’s discussion applies only to a hypothetical appeal from a UDRP decision.

I am concerned that, as UN-affiliated IGOs are the only ones with a relatively strng argument for immunity, and since UNCITRAL is itself a UN agency, any decision to alter the UDRP to allow appeals in UN-IGO cases to be appealed to UNCITRAL rather than a court of mutual jurisdiction would involuntarily place the registrant in a forum with a perceived bias favoring its brethren UN-IGOs. It is also significant that “more than in the normal commercial setting, the IGO’s counterpart would not be entering into this alternative procedure of its free will… a domain name registrant would be forced to make a concession in order to accomplish registration”. And, as the memo observes, “Ultimately, the enforceability of IGO immunity might in some jurisdictions depend on the generosity of these non-judicial remedies. Were an IGO able to secure from ICANN the transfer of another registrant’s domain, without adequate recourse to challenge that result, such proceedings might pose concerns for those states disposed to employ a *Waite & Kennedy* assessment.” UNCITRAL might well fail the “generosity” test.

3. Other possible UDRP Reforms

While “ICANN could distinguish among IGOs”, with the UN agencies having the strongest argument for an alternative appeals process, the preceding legal analysis makes clear that even UN agencies will not be found to have absolute immunity for trademark –related commercial disputes in many national courts. There is no universal rule on which ICANN could rely in such differentiation.

The second suggested alternative – that “the Mutual Jurisdiction clause could be rewritten to address the special case of IGOs *without* prejudging the question of their immunity”, does not seem worth pursuing,. The language proposed to effectuate such a policy is:

Complainant will submit, with respect to any challenges to a decision in the administrative proceeding canceling or transferring the domain name, to the jurisdiction of the courts in at least one specified Mutual Jurisdiction, ***except that*: in the event the action depends on the adjudication of the rights of an international intergovernmental organization that would, but for this provision, be entitled to immunity from such judicial process according to the law applicable in that jurisdiction, as established by a decision of a court in that jurisdiction**, the challenge must be submitted instead for determination by UNCITRAL in accordance with its rules. (Emphasis added)

The problem with this approach is that we know of no jurisdiction in which a sovereign immunity defense has ever been asserted by an IGO in an appeal by a losing registrant in a UDRP action. So the result of taking this approach would be to compel the IGO to submit to a national court for the de novo determination of whether it possesses immunity for such an action in that jurisdiction. (And noting further that different U.S. Courts of Appeal might decide the question differently.)

The final suggestion – that “any IGO electing arbitration might be asked to bear some or all of the cost of arbitration, which may be considerable in comparison to the UDRP and even, perhaps, as against a judicial action” – may well be unacceptable to IGOs, given that the GAC has already advised this WG that it prefers an alternative to the UDRP that is free or at nominal cost to IGOs. Even if registrants were so compensated monetarily, the question remains whether stripping them of their legal right to court access can be cured by monetary payment – especially if a potentially biased form (UNCITRAL) is the alternative.