

**SUMMARY & EXCERPTS OF ADDITIONAL OPTIONS TO ARBITRATION (RECOMMENDATION #4,  
OPTIONS 1 & 2) SUGGESTED BY WORKING GROUP MEMBERS**  
Document prepared by ICANN staff, updated 2 August 2017

**1. OPTION 3 TO RECOMMENDATION #4**

Suggested by Paul Keating on the Working Group call of 15 June 2017:

<https://community.icann.org/x/SEfwAw>

***Summary - "Option 3 is basically let it go to the judicial authority, but obligate the respondent to waiving any monetary claims that they may otherwise have against the NGO. It seems to me that the only issue here is who gets to keep the domain name. I don't think that the NGOs are concerned about a decision that is limited to that extent. What they're afraid of is some sort of monetary damage that is set against them.***

... It's also a benefit to being of an extremely streamlined approach to things because you keep everything the way it is. You simply just have the respondents waive the right to receive any other remedy other than the retention of the domain name, okay. Most potential respondents that I know of - that I've discussed this with --are in favor of this because they know that they're never going to recover any damage judgment anyway. And that's not what they're in for; they're in there to recover and keep the domain name. So I think that would satisfy the concerns of the respondents on that side.

From the NGO standpoint, I would fully expect that notwithstanding or going all the way through Option 2, they're still going to insist the remedies available be limited to the issue of the domain name possession, and that the arbitrators be prohibited from granting any award --monetary award or other form of remedy. So if we're going to go all the way through, you know, production of creating a separate arbitration system which essentially gives that same remedy. That remedy is easily obtained just by requiring a waiver from the respondent."

**2. OPTION 4 TO RECOMMENDATION #4**

Suggested by George Kirikos via email to the mailing list on 27 June 2017:

<http://mm.icann.org/pipermail/gnso-igo-ingo-crp/2017-June/000769.html>

***Summary - "we "try out" Option #2, just for newly created domains, while preserving full legal rights under Option #1 for grandfathered domains. Then we impose the obligation upon ICANN, the UDRP/URS providers, and the arbitration providers (via the mandated open court principle) to provide a future "review working group" the ability to go back and double check that there were no negative consequences in the decision to "try out" Option #2 as an experiment."***

"(a) For all domains with a creation date prior to the adoption of our final report (say January 1, 2018, for the sake of argument), we go with Option #1 (i.e. this reflects the grandfathering we've discussed previously for existing domain names already created, thereby not taking away the legal rights of registrants (or successors in interest, i.e. transfers) of currently registered domain names.

(b) For all domains with a creation date past January 1, 2018, we go with Option #2 (not the current document that was sent to the mailing list today, but a much more polished and thoroughly reviewed version, with stronger due process protections for registrants, including a 2<sup>nd</sup> level of appeals if necessary and also with the full "open court principle" in effect for all documents/evidence, for all those

cases (not just decisions, but also all filings, cross-examinations, etc. in the case) with copies to be maintained on a public website by ICANN (as they do now for their "Litigation" section of their website).

(c) All UDRP/URS providers must flag \*all\* of their disputes involving IGOs as complainants, sending the information to ICANN which will maintain a public record of them (like they used to do for UDRPs, but stopped doing). Not only does ICANN have to track any arbitrations invoked in point (b) above, but ICANN must also track any/all court disputes invoked and subject to point (a) (i.e. the grandfathered domain names), and obtain (at ICANN's expense) all the relevant public court documents/filings/evidence.

(d) ... At the earliest date of (i) five years or (ii) after 10 (or some other number) disputes involving IGOs via Option #2 (i.e. counting just non-grandfathered domains, where the arbitration system might offer less due process than the courts), ICANN shall convene a "review" working group to analyze all of the cases involving IGOs (both grandfathered and non-grandfathered), for the limited purpose of reviewing whether or not the arbitration system has adequately served those domain name registrants (i.e. offered the equivalent level of justice as the court system).

Should that review find that the level of due process was equivalent to the courts (i.e. no outrageous decisions/outcomes/process failures, etc. that offends the sensibilities of community, etc.), then Option #2 could continue (for newly created domains only; grandfathered domains would always stay grandfather via Option #1). In the event that arbitration turns out to be an abysmal failure, i.e. subject to forum shopping issues, etc., then newly created domains would revert back to Option #1 (vitiating), just like the grandfathered domain names. That working group shall also seek the input of all parties to the disputes, to get their input on the success of the procedure."

### **3. ALTERNATIVE PROPOSAL (OPTION 5):**

Suggested by Paul Keating via email to the mailing list on 14 July 2017:

<http://mm.icann.org/pipermail/gnso-igo-ingo-crp/2017-July/000784.html>

***Summary - "We need do nothing in this case at all. The answers exist in the current Policy."***

... The current UDRP requires that complainants waive any claim as against the ADR provider. There is no similar provision for respondents. The result is that Complainants waive claims against that ADR provider. Respondents do not.

... The current UDRP provides for a Mutual Jurisdiction (MJ) designation. All complainants MUST designate an MJ. An MJ is (generally):

- Location of registrar per ICANN
- Location of registrant as stated in the WHOIS

There is some uncertainty as to whether the Mutual Jurisdiction selection constitutes a waiver of Sovereign Immunity.

An order of an ADR provider must be complied with unless a losing respondent commences a legal action in the MJ within a 10-business-day period.

The issue with NGOs is that they do not wish to subject themselves to potential liability of national courts - Sovereign Immunity.

Legally, there are 3 potentially interested parties:

- (1) Respondent,
- (2) Complainant (NGO), and
- (3) ADR Provider.

A court may generally only issue orders directing an interested party to do (or refrain from doing) something. This might be “pay the claimant damages”. It might be “refrain from doing XXX”. Very few courts will order a person to DO something other than pay damages. Courts are most likely to order an interested party to NOT DO something. The reason for this is that the standard for ordering a person to do something is higher than the standard to actual NOT do something. This bears relation to unique legal issues like specific performance (an order that a party must do something). Such remedies are rare in the US although more normal in Europe.

What I propose is that we essentially ignore the NGOs in this issue and instead focus on the other parties having an interest in this issue and thus subject to the court's order ... The current UDRP obligates the complainant to waive claims against the ADR provider to protect the ADR provider from damages resulting from its decisions. There is no similar waiver by the Respondent.

The common practice amongst attorneys is to name any person or entity that potentially has a relationship to the potential remedy. This is done so that the court can issue an order that has the actual force of law. The court can only order people to do something if they have appeared before the court or had an opportunity to do so.

In the context of a typical UDRP, there are 4 parties that have potential control over the remedy or an interest:

- Registrant
- Complainant
- Registrar
- ADR Provider

Typically, in post-UDRP an attorney would name as defendants only the complainant and the registrar. The reason for this is that in most post-UDRP decisions the ADR is seen as a neutral party.

However, in US jurisdiction, court orders are often challenged by naming the court as a defendant. The purpose of this practice is to ensure that any appeals court decision is properly directed at the lower court ordering it to do (or not do) something. The most common remedy sought is to invalidate a prior order of the lower court. Thus, the lower court is often named as a real party in interest so that any decision by the appeals court can name the lower court ordering it to invalidate or enforce (or modify) its prior decision.

My proposal recognizes that the ADR provider is a necessary party to any post-UDRP litigation so that the court can actually order the appropriate remedy. As a result, the participation of the NGO in the litigation should have no legal bearing on whether or not the underlying UDRP decision is or is not enforced. Any recognition of the NGO's sovereign immunity should only impact whether or not the NGO is liable in any manner to the respondent (plaintiff). Thus, a plaintiff who names the ADR provider

and Registrar should be able to obtain a court order granting relief (e.g. a confirmation that the domain name should not be transferred) without regard to whether the NGO did nor did not participate in the litigation. In other words, any claim by the NGO concerning Sovereign Immunity would have no impact on whether the domain were transferred. Indeed its only impact would be to prevent any order that the NGO do (e.g. pay damages) or refrain from doing (stop issuing demands) anything."

#### **4. OPTION 6 TO RECOMMENDATION #4:**

Suggested by George Kirikos via email to the Working Group mailing list on 31 July:

<http://mm.icann.org/pipermail/gnso-igo-ingo-crp/2017-July/000811.html>

***Summary: Change the text of the UDRP Rules to clarify coverage of in rem, in personam, and quasi-in rem actions***

Different opinions were put forth regarding how a registrar might handle an "in rem" or "quasi in rem" court challenge brought by a UDRP respondent (i.e. the domain name registrant). In my view (and after talking to my own registrar), the registrar would likely maintain the status quo, until \*all\* litigation concerning the domain name was complete. Others held the view that registrars might not do that, given that paragraph 4(k) of the rules: <https://www.icann.org/resources/pages/policy-2012-02-25-en> only specifically contemplates "in personam" court cases brought by the UDRP respondent (domain owner) against the party who filed the UDRP (i.e. the UDRP complainant). The relevant part of paragraph 4(k) is:

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

However, if the wording was changed very slightly, it would clarify the situation with regards to "in rem" and/or "quasi in rem" suits, i.e. the language in the asterisk section above could become:

"you have commenced a lawsuit \*\*\*concerning the domain name\*\*\*\* in a jurisdiction to which the complainant has submitted"

i.e. by changing "against the complainant" to "concerning the domain name", the latter language would cover not only in personam actions brought against the UDRP complainant, but also cover both in rem and quasi in rem actions too.

... As discussed previously, with an in rem or quasi in rem case, the only issue in dispute is the fate of the domain name itself, and thus avoids issues of "immunity" entirely for the IGO. The IGO is not a named party (but would receive notice of the property dispute, so it could intervene if it wants to).

Furthermore, the "best" way to proceed in such a court action by a domain name registrant, in the event of a UDRP filed by an IGO, would involve both the in rem \*and\* in personam filings, in a single lawsuit (when I spoke with one my lawyers last week about this scenario, she advised that it should be possible to have both methods in a single lawsuit; indeed, judicial economy would prefer that to two separate cases). Now, if we go back to the scenario where we are concerned about "what happens if an IGO successfully asserts immunity in the courts", that would only result in a dismissal of the in personam

aspect of the lawsuit. It would leave unaffected the in rem or quasi in rem aspect of the case. Thus, the domain name owner still has a suitable forum \*in the courts\* to determine the fate of the domain name, and would not be required to go to any binding arbitration to appeal the UDRP decision. The court action would still be there, in its in rem or quasi in rem context.