Date: 3 June 2021

Description:
This document was compiled by ICANN org staff at the request of the IGO Work Track. It contains:

A. A summary of specific elements of Nominet's Dispute Resolution Policy that were discussed on a call that the IGO-INGO Access to Curative Rights Policy Development Process Working Group conducted with Nominet's General Counsel in December 2017;
B. Excerpts from Professor Edward Swaine's legal advice to the Curative Rights PDP Working Group of June 2016, relating to the effect on jurisdictional immunity where an IGO agrees to Mutual Jurisdiction under the Uniform Domain Name Dispute Resolution Policy; and
C. A summary of the elements to consider in establishing an arbitration process, drawn from a paper published by the Secretariat of the World Intellectual Property Organization in November 2003.

A. SUMMARY FROM IGO-INGO WORKING GROUP CALL WITH NOMINET GENERAL COUNSEL NICK WENBAN-SMITH, DECEMBER 2017:

Nominet's dispute resolution procedure is based substantially on, and very similar to, the UDRP. However, there are two specific additional aspects that may be of interest:

1. A default mediation step is triggered once a registrant responds to a complaint

Participating in the mediation is voluntary, but Nominet has seen fairly high settlement rates as the parties understand it is in their mutual interest to resolve the dispute amicably if possible. If the parties go to mediation, this is facilitated by Nominet with accredited mediators.

No fees are charged to file a complaint unless and until the mediation step is unsuccessful.

2. An appeal mechanism that does not preclude court proceedings

This allows for any mistakes or injustices to be rectified fairly quickly, to ensure procedural fairness. It also provides a relatively low-cost way to escalate disputes, considering the prohibitive cost for most people of litigation in the UK courts. Either party can file an appeal.

There is an Expert Review Group that consists of six longstanding, experienced panelists. All appeals are heard by a three-member panel drawn from this Group.

An appeal is a de novo hearing, no new evidence is generally accepted unless the appeal panel believes that it is in the interests of justice to do so (e.g., in the case of fraud.) This has only been the case in very limited circumstances.

The approximate rough rate of success on appeal is maybe 30% (out of around 700 disputes filed each year, roughly a third go forward to a panel decision; in some years, there are no appeals from these decisions, in other years it could be up to five or six appeals.)

An appeal does not operate as a bar to either party going to court.

References:

- Transcript of IGO-INGO Working Group Call with Nominet counsel Nick Wenban-Smith (December 2017): https://gnso.icann.org/sites/default/files/file/field-file-attach/transcript-igo-ingo-crp-access-12dec17-en.pdf

- Current Nominet Dispute Resolution Policy: https://media.nominet.uk/wp-content/uploads/2017/10/17150434/final-proposed-DRS-policy.pdf

B. EXCERPTS FROM THE SWAINE MEMO, JUNE 2016:

1. Effect of agreeing to Mutual Jurisdiction on Immunity

(Note: emphasis in the text below added by staff)

"The ***first, more abstract question, is whether—absent the Mutual Jurisdiction provision … an IGO would in principle enjoy immunity from judicial process with respect to name-related rights it might assert in the UDRP proceedings. The answer depends on whether the jurisdiction in which the case arises would apply an absolute, functional, or restrictive immunity approach to the IGO in question.*** That may be hard to predict. In the United States, unless an IGO benefits from broader treaty protection—as the United Nations, but not its specialized agencies, does, because the United States is only party to a treaty governing the former's immunity—the question is addressed by the International Organizations Immunities Act (the "IOIA"), but some cases interpret the statute as establishing absolute immunity and others view it as establishing restrictive immunity only. Other states tend to favor either an absolute or a functional approach. Which approach is taken may be material. If an IGO is entitled to absolute immunity, it would in principle be protected from a suit of the kind in question, and probably under a functional approach as well—because an IGO's protection of its name is likely to be deemed part of its functions. Immunity is less likely under a restrictive approach, which might regard this as more akin to trademark-related activity that is commercial in character.

The ***second, more relevant, question is whether—in light of an IGO's assent to Mutual Jurisdiction—its immunity remains. Here, the more likely answer is that it would not.*** IGOs are capable of waiving their immunity from suit, and if they do so, they may no longer interpose immunity as a defense if another party commences a judicial action falling within the scope of that waiver. The grant of Mutual Jurisdiction would likely establish such a waiver, as it would for

a state entity otherwise entitled to foreign sovereign immunity. This waiver would be construed narrowly, but it would likely permit proceeding against an IGO in at least some domestic courts. ***The overall answer, then, is contingent. If there were no Mutual Jurisdiction clause, an IGO might be entitled to immunity from judicial process; in the status quo, however, it likely would not.*** Equitable considerations might influence any judicial analysis. If the Mutual Jurisdiction obligation were altered to preserve IGO immunity, without any possibility of judicial recourse, it might be considered an insufficient remedy for domain registrants. And because the IGO would have availed itself of a procedure to which it would not otherwise be entitled, by initiating UDRP proceedings, it might seem unfair for it to invoke a defense unavailable to the other party. An IGO, on the other hand, might regard the present Mutual Jurisdiction clause as requiring it to make a greater compromise than the average complainant: not merely acquiescing in the choice of a particular jurisdiction, but also consenting to the very possibility of a judicial proceeding—more than anything required of parties that lack immunity in the first place.

… … In short, the Mutual Jurisdiction clause means that participating IGOs will have agreed to the possibility of a judicial process, notwithstanding any immunity to which they otherwise would be entitled. This will loom largest in cases in which the IGO is the complainant and benefited from an initial panel decision in its favor, such that the decision to resort to judicial proceedings against the IGO—and the risks that creates for adverse results—is made by the private party."

2. <u>Assignment as an alternative option for IGOs instead of agreeing to Mutual Jurisdiction:</u>

"IGOs may be able to use an assignment of rights, or similar mechanism, to allow their interests to be expressed in UDRP proceedings while disassociating the IGO itself from any waiver …

[The current situation with the UDRP and URS] may leave IGOs some room for adaptation. An IGO will have no interest in giving others an exclusive right to use its name, but it may be able, according to the law of its seat, to assign a right of use to another (or, at least, to appoint an agent to enforce its interest). It is presumably within ICANN's authority to establish standing rules permitting such assignees to act as complainants. Indeed, no reform may be necessary: in at least one case, a panel permitted a legal representative of an IGO to proceed as the complainant.

While the validity of assignments under foreign law may be assumed, their consequences are uncertain, and will undoubtedly depend on national trademark and immunity law. One problem is that such assignments could themselves be regarded as waivers of immunity, although that risk that could be reduced by careful drafting. A second is that the assignment might be attacked as falling outside the scope of the IGO's immunity. The significance of these issues will depend on whether the IGO is in principle entitled to absolute immunity under national law (and, if not, whether the assignment would be considered to be outside the IGO's restrictive or functional immunity), and whether any domain-related claim could be brought based on the assignment itself.

Third, and finally, the assignment might be ineffective—for example, because it is transferred without the accompanying goodwill previously associated with the mark, thus constituting an invalid "assignment in gross"—and fail to establish an enforceable interest for the assignee …

A flawed assignment might diminish the assignor's priority in the underlying mark for all purposes, making it indispensable to scrutinize national trademark law. As partial consolation, because the IGO (or surrogate) complainant initiating the UDRP process gets to choose among the jurisdictions initially proposed by the registrant, it could take such matters into account in deciding whether to execute an assignment prior to filing a UDRP complaint."

3. Arbitration

"IGOs might also volunteer a non-judicial substitute, such as arbitration—for example, according to the United Nations Commission on International Trade Law ("UNCITRAL")—in lieu of follow-on judicial proceedings. While this is often employed in staff-related matters or commercial dealings, it translates imperfectly to the UDRP context. ***Unlike a potential employee or contract partner, who may decline to accept such an arrangement and take its business elsewhere, an arbitration alternative to Mutual Jurisdiction would likely force a domain-name registrant to accept that possibility (for any potential IGO matters) in order to register—essentially, shifting any immunity concession by IGOs into an arbitration concession by domain registrants, and raising judicial concerns about access to court.***

… An alternative dispute resolution would also require compliance by a third party to a greater degree, since ICANN would be facilitating the IGO's preference by changing the terms it prescribes, as opposed to a situation in which IGOs and their contract partners decided the question the question bilaterally.

… ***[As] against compelling waiver by IGOs, compelling arbitration may be more easily challenged in domestic courts,*** including as the basis for suggesting a further exception to IGO immunity.

… If the Mutual Jurisdiction provisions were revisited so as to permit only non-judicial review for IGOs, ICANN should pay close attention to the robustness of [there being reasonable alternatives for registrants], whether they likewise constrain the options for losing IGOs, and whether such recourse may be made voluntary only."

4. Options for the Working Group's consideration

- Distinguish between IGOs such that, in those cases where an IGO that may be "almost universally entitled by treaty to absolute immunity, like the United Nations" that IGO can elect arbitration rather than submit to Mutual Jurisdiction.
- Rewrite the Mutual Jurisdiction clause to recognize (without prejudging) the question of immunity, such as:

- "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]."

- Find ways to ameliorate the hardship that a non-judicial process might impose on the other party, for example, cost-sharing by the IGO.

References:

- Professor Swaine's final memo, June 2016, in full: https://community.icann.org/download/attachments/56131791/Swaine%20-%20Updated%20IGO%20Immunity%20Memo%20-%2017%20June%202016.pdf?version=1&modificationDate=1467111617000&api=v2
- Comments by certain IGOs to Professor Swaine's memo, invited by the PDP Working Group following an ICANN Meeting session in Helsinki, June 2016: https://gnso.icann.org/sites/default/files/file/field-file-attach/2016-12/igo-note-wg-swaine-memo-12jul16-en.pdf

C. EXTRACTS FROM WIPO SECRETARIAT PAPER ON AN ARBITRATION OPTION

(Note: The paper was written in the context of an arbitration option for country names; however, IGO names and acronyms were acknowledged as raising issues about use of the UDRP and discussed by WIPO Member States during the WIPO Domain Name Process.)

"In order to strike a balance between the privileges and immunities of sovereign States on the one hand, and the right of a losing UDRP respondent to have the dispute reconsidered in a neutral forum on the other, WIPO member States also recommended to allow IGOs to submit to a special appeal procedure by way of *de novo* arbitration rather than to the jurisdiction of certain national courts of justice.[1] This recommendation is in line with the general legal practice of IGOs which routinely include arbitration clauses in their commercial contracts."

"[A] *de novo* arbitration mechanism therefore would have to fulfill similar functions as the possibility of referring a domain name dispute to a national court at a "mutual jurisdiction." A *de novo* arbitration therefore would need to have at least the following features:

- The parties should be able to restate their case completely anew. They should not be confined to claiming that the UDRP panel did not consider certain relevant facts or

[1] Document WO/GA/28/7, paragraph 79.

wrongly applied the UDRP, but should also be able to submit new evidence and new factual or legal arguments;

- In order to provide a meaningful "appeal," conducting a de novo arbitration should, as a general rule, not be more burdensome than conducting litigation in a court of mutual jurisdiction;
- The arbitral tribunal should consist of one or more neutral and independent decision makers, who should not be identical or related to the panelists who rendered the UDRP decision;
- Either party should be able to present its case in a complete manner. The arbitral tribunal should, for example, have the authority to allow for, or request, additional written submissions, and it should be possible to hold in-person hearings."

The paper also noted the following:

- The *status quo* of the domain name should be preserved. The UDRP decision ordering cancellation or transfer of the domain name should not be implemented, provided the *de novo* arbitration is initiated within a certain deadline, comparable to the ten days deadline of paragraph 4(k) UDRP.
- The lock on the domain name should continue for the duration of the arbitration.
- The agreement to arbitrate could be concluded in a similar way as the choice of a "mutual jurisdiction" under the UDRP: the complainant is required to submit, in a standardized clause, to *de novo* arbitration when filing the UDRP complaint and a losing UDRP respondent could submit by initiating the arbitration.
- Submission to *de novo* arbitration should not restrict either party's recourse to a national court of justice (even though, for a respondent, this option might be rather theoretical if the State successfully asserts immunity from jurisdiction). However, once the respondent has initiated a *de novo* arbitration procedure, final determination of the dispute must be by arbitration.
- Arbitration is to be conducted completely independently from any prior administrative proceeding under the UDRP, the parties can restate their case completely anew, and the arbitral tribunal is not bound by any of the factual or legal findings of the UDRP panel.
- Need to specify choice of law (applicable law) as distinct from the venue where the arbitration is to be conducted.
- Need to determine arbitral rules to be applied, which can cover the establishment of the arbitral tribunal, challenges to and replacement of arbitrators, procedural questions such as submission of written pleadings evidence and hearings, decision-making by the tribunal and the form and notification of awards.
- Choice and number of arbitrators, who should not be the same as the panel that decided the initial proceeding.
- In order to provide a meaningful appeal, the cost of a *de novo* arbitration should not be prohibitively high.

References:

- https://www.wipo.int/edocs/mdocs/sct/en/sct_11/sct_11_5.doc