



October 22, 2021

Public Comment on Initial Report from the EPDP on Specific Curative Rights Protections for IGOs

The Internet Commerce Association is pleased to provide its comments herein, on the Initial Report from the EPDP on Specific Curative Rights Protections for IGOs (the “Initial Report”). Founded in 2006, the Internet Commerce Association (ICA) is a non-profit trade organization representing domain name registrants, secondary market participants, and related service providers. Based in Washington D.C., the ICA’s mission is to assist with the development of domain name related policy and to advocate for fairness in government policy and regulation.

Executive Summary

- Preliminary Recommendation #3 – exempting IGOs from the usual requirement of agreeing to a Mutual Jurisdiction for a challenge to a UDRP transfer without guaranteeing the right of a registrant to have its case heard on the merits – is unjustified and should not be accepted by the GNSO. By exempting IGOs from agreeing to the Mutual Jurisdiction requirement, registrants are left with the very real possibility that a national court will refuse to assume jurisdiction in a post-UDRP action to overturn a UDRP transfer order; leaving the registrant without any meaningful redress or ability to have its case heard on the merits.

- The proposal (Option 1 under Recommendation #4) to eliminate all substantive recourse for errant UDRP and URS decisions in the event that an IGO successfully avoids a court proceeding by asserting immunity after ICANN has stripped away the Mutual Jurisdiction requirement, is unconscionable and effectively repudiates the GNSO’s mandate to the EPDP which inter alia, requires that any policy option *preserve* registrants’ rights to judicial review. Such right to judicial review can only entail a substantive review, not merely an opportunity to receive a dismissal.

- Option 2 under Recommendation #4 is the only genuine option between it and Option 1 however it is unfortunately premised on the unfair and undesirable exemption from Mutual Jurisdiction under Recommendation 3. For that reason and because they are both inferior to the original Recommendation 5 from the IGO PDP, we cannot support Option 1 or Option 2, however as between the two, Option 2 at least does not unconscionably deprive the registrant of

all recourse and therefore if it comes down to a choice solely between Option 1 and Option 2, we would prefer and support Option 2.

- It is premature to decide whether to impose any arbitral procedure when the nature of the arbitral procedure hasn't even yet been identified. The selection of an arbitration provider and the appointment of arbitrators are not minor features of arbitration and can contribute to or even determine the outcome. The design of any arbitral procedure therefore cannot be left to an Implementation Review Team as this is not a matter of implementation but rather a matter of substantive policy. Any post-UDRP or post-URS arbitral process should follow as close as possible, the robust procedures and safeguards available in a credible national court.

- The UDRP is a delicate procedure that cannot sustain ad hoc policy revisions without examining how they would affect and work with the existing and remaining procedures. The RPM Working Group is the group that has the requisite expertise to fully and comprehensively consider any proposed IGO-centric revisions within the overall UDRP.

- Any new and untried and untested procedures for IGOs should be subject to a sunset clause which automatically repeals such provisions unless a preemptive decision is made based upon evidence, consultation, and Consensus, to maintain it.

Background

The GNSO's mandate to the IGO Work Track (now EPDP) was clear:

“Whether an appropriate policy solution can be developed that is generally consistent with [the first four recommendations from the GNSO's IGO-INGO Access to Curative Rights PDP] and:

- a. accounts for the possibility that an IGO may enjoy jurisdictional immunity in certain circumstances;
- b. does not affect the right and ability of registrants to file judicial proceedings in a court of competent jurisdiction;
- c. preserves registrants' rights to judicial review of an initial [Uniform Domain Name Dispute Resolution Policy or Uniform Rapid Suspension decision; and
- d. recognizes that the existence and scope of IGO jurisdictional immunity in any particular situation is a legal issue to be determined by a court of competent jurisdiction.”

Accordingly, any proposed policy solution which “affects the right and ability of registrants to file judicial proceedings” and/or which fails to “preserve registrants’ rights to judicial review” of a UDRP or URS decision, will not comply with the clear and specific mandate given by the GNSO pursuant to the Addendum to the PDP Charter.¹ It is therefore crucial that the GNSO

carefully evaluate whether the policy proposals made by the EPDP in the Initial Report genuinely comply in spirit and in substance with the specific mandate provided to the EPDP.

The Preliminary Recommendations

Since Preliminary Recommendations #1 and #2 are contingent upon Recommendation #3, and since Recommendation #3 is problematic, we will address Preliminary Recommendation #3 prior to addressing Recommendations #1 and #2.

Preliminary Recommendation #3: Exempting IGOs from Mutual Jurisdiction

For ease of reference, excerpted below is the text of Preliminary Recommendation #3ⁱⁱ:

Recommendation #3: Exemption from Agreement to Submit to Mutual Jurisdiction for IGO Complainants

i. In relation to the UDRP: The EPDP team recommends that an IGO Complainant (as defined under Recommendation #1, above) be exempt from the requirement to state that it 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”

ii. In relation to the URS: The EPDP team recommends that an IGO Complainant (as defined under Recommendation #1, above) be exempt from the requirement to state that it will “submit, with respect to any challenges to a determination in the URS proceeding, to the jurisdiction of the courts in at least one specified Mutual Jurisdiction”⁵.

The Initial Report states at Page 5, that “IGOs are concerned that the agreement to this “Mutual Jurisdiction” clause could be considered as an express or implied waiver of the IGOs’ immunities under existing national laws”. Ostensibly this Preliminary Recommendation is intended to address that concern.

This potential policy proposal has already been carefully examined by Professor Swaine, an international law expert who was retained by the original PDP Working Group and whose legal opinion dated, June 17, 2016 was attached to its Final Report at Page 115.ⁱⁱⁱ Professor Swaine stated therein that:

“As a purely legal matter, it seems unlikely that the Mutual Jurisdiction provision, as it may be accepted by an IGO, establishes or occasions a violation of IGO immunity... [and] it may seem more appropriate to require an IGO to abide by a judicial process, given that it has elected to initiate UDRP proceedings, than it would be require a domain-name registrant to accept the IGO’s preferred alternative”.

The EPDP appears to have assumed that the Mutual Jurisdiction would necessarily eliminate an IGO’s immunities when that does not appear to be the case. In the absence of a legal opinion

contradicting Professor Swaine’s conclusions, it appears that the EPDP has proposed a dramatic change to the existing UDRP without any legal basis.

Moreover, even if one were to incorrectly assume without any legal basis, that the Mutual Jurisdiction requirement in the UDRP would necessarily result in a broad waiver of IGO immunity, as Professor Swaine also pointed out, *“an IGO [may be able to] to assign a right of use to another (or, at least, to appoint an agent to enforce its interest)”* and that *“it is presumably within ICANN’s authority to establish standing rules permitting such assignees to act as complainants.”*

Indeed, Professor Swaine expressly states that:

“No reform may be necessary: in at least one case, a panel permitted a legal representative of an IGO to proceed as the complainant”

and;

“Indeed, several IGOs—including the International Mobile Satellite Organization (INMARSAT), the International Bank for Reconstruction and Development (IBRD), and the Bank for International Settlement (BFIS)—have prevailed in UDRP complaints.”

The Initial Report cites no legal basis or expert opinion for its professed concern about the Mutual Jurisdiction clause and apparently has solely relied upon representations made by IGOs themselves without any supporting evidence or independent legal basis. Accordingly, Preliminary Recommendation #3 – exempting IGOs from the usual requirement of agreeing to a Mutual Jurisdiction for a challenge to a UDRP transfer – is unjustified and should not be accepted by the GNSO which should insist upon evidence-based policy development rather than simply forming policy around the unsupported representations of a particular stakeholder group.

Make no mistake about it; removal of the Mutual Jurisdiction provision for IGOs is a radical change to the UDRP and substantially undermines the rights of registrants to be able to effectively seek recourse in the courts, as is their right. As law Professor Wendy Seltzer and former member of the ICANN Board pointed out in 2003, *“the possibility [of] appeal to national courts is no minor detail, but part of the balance of keeping domain name disputes in check. If UDRP arbitrators, or the ICANN “consensus” veer too far from national laws, they can be corrected by courts”*.^{iv}

By exempting IGOs from agreeing to the Mutual Jurisdiction requirement, registrants are left without any assurance whatsoever that a court will assume jurisdiction in a post-UDRP action to overturn a UDRP transfer order. Essentially, this proposal means that rather than ensuring that a registrant has the ability to overturn an errant UDRP decision in court, the registrant will be left empty handed when asking the court for relief since the IGO will not have submitted to any court jurisdiction, period. This is not a remote possibility, but rather a serious and predictable outcome which the EPDP implicitly acknowledges by its inclusion of Recommendations which expressly consider what would happen if the court did decline jurisdiction in the absence of an IGO’s submission to a Mutual Jurisdiction.

The GNSO must not lose sight of the fact that when the UDRP was originally established in 1999, there was a “*grand bargain*” wherein trademark owners would be able to avail themselves of a streamlined and low-cost dispute resolution system for clear cut cases of abusive domain name registrations, but domain name owners would not have to give up their right to go to a national court in order to overturn a wrongly decided UDRP case. Preliminary Recommendation #3 improperly seeks to undo that foundational grand bargain. The UDRP and URS are convenient, expedited, and lower cost *supplements* to available judicial process, not preemptive substitutes, and ICANN has no authority to require a non-judicial appeal and thereby strip domain registrants of those legal rights that they may possess under relevant national law. One must not lose sight of the fact that IGOs are not compelled to use the UDRP or URS. Rather, they may employ these procedures as an alternative to the normal avenue of recourse available to them like all other parties, namely going to court. However, if an IGO does decide to avail itself of these alternative dispute resolution procedures, it should not come at the cost of registrants’ right to go to court to seek judicial review.

Finally, it also bears noting that this entire 14 year-long policy development process, originating from at least 2007, appears to be based largely upon a tempest in a teapot. Not only is there no apparent legal basis for the removal of the Mutual Jurisdiction provision, and not only can the UDRP be used in its current form (or as adapted by including a minor, specific acknowledgment that IGOs can use the UDRP via an agent, etc.), but there is no evidence that cybersquatting on IGO domain names is even happening on any significant basis. If there had been a significant issue of cybersquatting on IGO marks surely we would have seen the evidence of this after so many years. Moreover, if IGOs were truly unable to use the UDRP instead of merely reluctant, surely we would have seen them use the courts to deal with cybersquatting, yet we have seen no evidence of this in 21 years of the UDRP. In any event, the number of UDRP cases that have gone to court at the instance of the registrant is probably around a few dozen over the course of around 80,000 UDRPs in 21 years, meaning that the chances of a trademark owner, let alone an IGO, having to go to court are remarkably slim.

Accordingly, it really appears that this whole exercise is largely a solution in search of an actual problem. The GNSO should not permit any further expenditure of time, effort and resources on what appears to at most amount to a remote and edge contingency, without obtaining actual evidence beyond mere self-serving representations, to demonstrate that this is genuinely a problem that requires a comprehensive policy solution that dramatically eliminates the delicate balance of the UDRP.

Preliminary Recommendation #4: Arbitral Review following a UDRP Proceeding

Preliminary Recommendation #4 presents two so-called “Options” in the event that a registrant wants to commence court proceedings following a transfer order in a UDRP commenced by an IGO, as follows:

[OPTION 1: Where the registrant initiates court proceedings and the result is that the court decides not to hear the merits of the case, the original UDRP decision will be

implemented by the relevant registrar within ten (10) business days from the court order declining to hear the merits of the case.]

[OPTION 2: Where the registrant initiates court proceedings and the result is that the court decides not to hear the merits of the case, the registrant may submit the dispute to binding arbitration within ten (10) business days from the court order declining to hear the merits of the case, by submitting a request for or notice of arbitration to the competent arbitral institution with a copy to the relevant registrar, UDRP provider and the IGO Complainant. If the registrant does not submit a request for or notice of arbitration to the competent arbitral institution (with a copy to the registrar, UDRP provider and the IGO Complainant) within ten (10) business days from the court order declining to hear the merits of the case, the original UDRP decision will be implemented by the registrar.]

Of course, both “Options” assume that Recommendation #3 is approved, namely that IGOs are exempt from “Mutual Jurisdiction”, and therefore IGOs no longer must accept the jurisdiction of a court for post-UDRP remedial action. As aforesaid, once IGOs are exempted, registrants and courts will no longer be able to rely upon an IGO’s express submission to court jurisdiction, and an IGO will be free – and likely would – argue that they are immune from all court proceedings. That is the travesty that occasions Recommendation #4, since as a result of the exemption for IGOs, they could and likely would seek to avoid any post-UDRP recourse in court.

Option #1 is simply unconscionable and effectively repudiates the GNSO’s mandate to the EPDP which inter alia, requires that any policy option *preserve* registrants’ rights to judicial review. What Option #1 purports to do – and it may not be readily apparent to some by simply reading it in a cursory manner without greater context – is leave registrants without any recourse after an errant UDRP decision, whatsoever, full stop.

If an IGO is permitted to commence a UDRP without having to agree to the Mutual Jurisdiction of a court, and the registrant unfortunately receives an incorrect or unfair UDRP transfer order, the registrant can file a court proceeding but if the IGO claims immunity (since it has not agreed to submit to a Mutual Jurisdiction) and the court finds that it cannot hear the case (since the IGO did not agree to a mutual jurisdiction), then the court case is dismissed and that is the end of the story. The registrant *will not* have any available avenue to revisit the UDRP transfer order on the merits, period. No court, no arbitration, no nothing. Moreover, depriving a registrant of all recourse on the merits this would appear to be in contravention of Article 10 of the Declaration of Human Rights which states that everyone is entitled to a fair and public hearing by an independent and impartial tribunal in the determination of his or her rights and obligations.

Registrants have historically relied upon the courts to play an instrumental role in reversing UDRP injustice, such as in the respective cases of ADO.com and IMI.com wherein UDRP transfer orders were overturned following court proceedings, with legal scholars and UDRP observers taking particular note of the egregious UDRP panel decisions which led to court proceedings in the first place.^v

How can that so-called “Option” possibly be considered when the GNSO’s unequivocal mandate was to ensure that any policy options ensure that a registrant had a right to go to court? It is

remarkably cynical and disingenuous to claim that Option 1 ‘*does* provide an option to go to court, but if it gets dismissed at the outset without any hearing on the merits, too bad’.

In contrast, Option 2 at least affords a registrant business, trademark owner, or individual, the natural right to obtain actual adjudication on the merits of the dispute, i.e. if a court declines to hear a post-UDRP or post-URS case against an IGO as a result of claimed “immunities” asserted by the IGO (after the IGO was exempted from submitting to a Mutual Jurisdiction as per Preliminary Recommendation #3), the registrant will nonetheless at least have the opportunity to seek redress on the merits through binding arbitration.

Although Option 2 is the only genuine option between it and so-called Option 1, it is unfortunately premised on the unfair and undesirable exemption from Mutual Jurisdiction under Recommendation 3. For that reason we cannot support Option 1 or Option 2, however as between the two, Option 2 at least does not unconscionably deprive the registrant of all recourse and therefore if it were a choice solely between these two “options”, then Option 2 would be our clear preference.

It is important to note, that if the GNSO were inclined to create new procedures for IGOs in accordance with Preliminary Recommendation #4, Option 2, it need not exempt IGOs from Mutual Jurisdiction. Option 2 is not reliant upon the removal of Mutual Jurisdiction for IGOs. An IGO complainant could submit to Mutual Jurisdiction, ‘*subject to* any arguments that it may make to a court regarding its claimed immunity’. That would still leave the door open to an IGO to claim immunity while not exempting IGOs entirely as proposed. The effect of maintaining the Mutual Jurisdiction provision with the ‘subject to’ caveat in conjunction with Recommendation #4, Option 2, would be to better preserve the ability for a registrant to go to court while enabling arbitration if a court refuses to hear the case due to IGO immunity despite the qualified submission to Mutual Jurisdiction.

Preliminary Recommendation #4 also references the nature of an arbitration following Option 2, as follows:

The arbitral rules shall be determined by the Implementation Review Team which, in making its determination, shall consider existing arbitral rules such as those of the International Centre for Dispute Resolution (ICDR), the World Intellectual Property Organization (WIPO), the United Nations Commission for International Trade Law (UNCITRAL) and the Permanent Court of Arbitration (PCA).

Serious concerns exist with regard to the nature of any such arbitration. First, it is premature to ask stakeholders to comment on Option 1 and Option 2 without any idea of the nature of such arbitration being provided. The selection of an arbitration provider and the appointment of arbitrators are not minor features of an arbitration and can contribute to or even determine the outcome. The identification of an arbitration provider and the rules pertaining to the selection of an arbitration panel are therefore not minor details, and it cannot therefore be reasonably asked of stakeholders to provide an informed opinion on Recommendation #4 until such time as a complete proposal is in place. For example, if an arbitration procedure was fundamentally unfair

in terms of the provider and the rules, then that would surely impact the assessment of whether Recommendation #4 is even viable.

Any arbitral process (should that approach be taken by the GNSO despite our recommendation against it) should follow as close as possible the robust procedures and safeguards available in a credible national court, including but not limited to oral hearing, presentation of all available evidence, cross-examination of witnesses, discovery of evidence, availability of motions, etc. Furthermore, the question of which panelists are accredited to hear such an arbitration is a crucial one. To the extent possible, arbitration panelists should not be drawn from the rosters of current UDRP and URS providers and instead should be retired judges with extensive experience in intellectual property matters, drawn from the jurisdictions of the respective parties and/or the jurisdiction of the applicable law, to the extent possible.

Finally, as previously stated by the ICA in its Comment on the GNSO Initial Report on the IGO-INGO Access to Curative Rights Protection Mechanisms Policy Development Process on March 6, 2017,^{vi} all UN-affiliated or non-affiliated entities that are themselves an IGO, must be prohibited from acting as an arbitration provider. Allowing such an entity to preside over an appeal brought by a fellow IGO would inevitably create an appearance, and might well encompass the reality, of bias against the registrant “appellant”. Moreover, allowing any accredited UDRP provider to be the subsequent arbitration provider might well result in a “confirmation by rehearing” by rather than a truly fresh “appeal” and would raise questions about the efficacy and fairness of the process.

Preliminary Recommendation #5: Arbitral Review following a URS Proceeding

Our objections and concerns arising from Preliminary Recommendation #5 are the same as our objections and concerns with regard to Preliminary Recommendation #4, above.

Preliminary Recommendation #6: Applicable Law in an Arbitration Proceeding

For ease of reference, Preliminary Recommendation #6 is excerpted below:

i. Any arbitration will be conducted in accordance with the law as mutually agreed to by the parties. ** Note: The square bracketed text below describes two alternatives under consideration by the EPDP team, to apply in situations where the parties cannot agree on the applicable law:

[OPTION 1: Where the parties cannot reach mutual agreement, the arbitration will be conducted in accordance with the law of the relevant registrar’s principal office or where the respondent is resident at the election of the IGO Complainant.]

[OPTION 2: Where the parties cannot reach mutual agreement, the arbitral tribunal shall determine the applicable law.]

ii. [POSSIBLE ADDITIONAL STEP UNDER CONSIDERATION: If either party raises concerns to the arbitral tribunal about applying the law of the registrar’s principal office

or the respondent's place of residence, e.g., because it does not have a satisfactory cause of action related to the parties' dispute, the arbitral tribunal may request submissions from the parties as to the suggested applicable law or principles of law (which may include UDRP case precedent) to be applied.

Should the GNSO proceed with revising the UDRP to provide for arbitration as proposed in the Interim Report despite the serious concerns as outlined above, Recommendation 6 in conjunction with Option 1, appears incrementally preferable since it is consistent with the current practice of enabling a complainant to specify one particular Mutual Jurisdiction, but in this case the complainant would be electing the laws of a particular jurisdiction for a subsequent arbitration. Nevertheless, such a procedure could in some instances nevertheless engender some unfairness and as such the "Possible Additional Steps" proposed under Subsection (ii) should also be considered in combination with Option 1.

With regards to the proposed "non-exhaustive general principles" to govern arbitration as set out at Subsection (iii), as aforesaid, any arbitral process should follow as close as possible, the robust procedures and safeguards available in a credible national court, including but not limited to oral hearing, cross-examination of witnesses, discovery of evidence, availability of motions, etc. The question of which panelists are accredited to hear such an appeal is a crucial one. To the extent possible, arbitration panelists should not be drawn from the rosters of current UDRP and URS providers and instead should be retired judges with extensive experience in intellectual property matters, drawn from the jurisdictions of the respective parties and/or the jurisdiction of the applicable law.

Furthermore, such matters are of such fundamental importance that they cannot be left to an Implementation Review Team as they are not a matter of implementation but rather a matter of substantive policy.

Preliminary Recommendation 1: Definition of "IGO Complainant"

Subject to our above-noted concerns, Preliminary Recommendation #1 appears to satisfactorily define IGOs. Preliminary Recommendation #1 also appears to provide an apparently reasonable means of an IGO demonstrating its rights in a mark.

Preliminary Recommendation 2: Proposed Recommendations to Address IGO Immunities While Preserving a Registrant's Right to Seek Review of a UDRP or URS Decision Issued Against It

The ICA recommends that notwithstanding Preliminary Recommendation #2, that the GNSO revisit the original Recommendation #5 from the original Recommendation #5 from the IGO-INGO Access to Curative Rights Protections PDP as it provides a reasonable proposal grounded in the facts and the law which appropriately balances the interests of IGOs with the rights of registrants. Alternatively, the GNSO should consider new alternatives altogether, such as a procedure comparable to that employed in British Columbia, Canada by the Civil Resolution Tribunal, as described in Leap of Faith Financial Services Inc.'s Public Comment dated August 20, 2019.

Final Recommendation

Whatever path that the GNSO decides to take in connection with IGO participation in RPMs, it is critical that it be re-evaluated in the near and mid-term to ensure that approach works. The UDRP was not subject to review for over 21 years but there is no reason not to have a much earlier review of practices regarding IGOs to determine whether the experience of IGOs and other stakeholders is positive or whether adjustments need to be made. It would be a grievous error to employ a new and untested approach only to find out that it didn't work as intended and have no recourse of repealing it absent a lengthy and fraught policy development process. Accordingly, any new approach should be subject to a sunset clause which automatically repeals it unless a preemptive decision is made based upon evidence, consultation, and Consensus, to maintain it.

Lastly, the UDRP is a delicate procedure that cannot sustain ad hoc policy revisions without examining how they would affect and work with the existing and remaining procedures. The RPM Working Group is the group that has the requisite expertise to fully and comprehensively consider any proposed IGO-centric revisions within the overall UDRP and therefore it is strongly recommended that no implementation be undertaken of any new IGO-centric procedures until such time as the RPM WG has had an adequate opportunity to review them in context.

Yours truly,
INTERNET COMMERCE ASSOCIATION



Per:
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ⁱ <https://gnso.icann.org/sites/default/files/file/field-file-attach/rpms-charter-addendum-07jan20-en.pdf>

ⁱⁱ <https://itp.cdn.icann.org/en/files/generic-names-supporting-organization-council-gnso-council/initial-report-epdp-specific-curative-rights-protections-igo-14-09-2021-en.pdf>

ⁱⁱⁱ https://gnso.icann.org/sites/default/files/file/field-file-attach/igo-ingo-crp-access-final-17jul18-en_0.pdf

^{iv} https://circleid.com/posts/why_wipo_does_not_like_the_udrp/

^v See <http://iplegalcorner.com/whats-so-outrageous-asking-high-prices-for-domain-names/> wherein noted UDRP scholar Gerald Levine stated, inter alia; “Regrettably, the distinguished Panel failed to examine the evidence carefully” and that “I think that criticism is fair [that] “the Panel put their combined fingers on the scale”, and “Unfortunately, the Panel in *Autobuses de Oriente* was also persuaded by false facts masquerading as elements (namely prices) and by incoherent reasoning of similarity of logos”); and also see <https://domainnamewire.com/2019/06/25/jury-overturms-horrible-cybersquatting-decision-for-imi-com/> (“Jury Overturms Horrible Cybersquatting Decision for IMI.COM”).

^{vi} <https://forum.icann.org/lists/comments-igo-ingo-crp-access-initial-20jan17/pdfb23CpD8fIN.pdf>