

Initial Report on the IGO-INGO Access to Curative Rights Protection Mechanisms Policy Development
Process

Comments from the Legal Directorate of the Organisation for Economic Co-operation and
Development (OECD)

Recommendation #1:

The first recommendation deals with INGOs. The OECD takes no position on this issue.

Recommendation #2:

Given the non-commercial nature of IGOs and the unique protection their marks enjoy under international law, we agree that standing to file a complaint under the UDRP and URS should be based on international law rather than national trademark law.

Recommendation #3:

The Working Group (“WG”) *“proposes that the Policy Guidance document referred to in Recommendation #2 includes a further recommendation that UDRP and URS panellists should take into account the limitation enshrined in Article 6ter(1)(c) of the Paris Convention in determining whether a registrant against whom an IGO has filed a complaint registered and used the domain name in bad faith.”*

The above aspect of Recommendation #3 unduly interferes with panellists’ decision-making and proposes an interpretation of Article 6ter(1)(c) which does not enjoy consensus. Panellists should adjudicate the cases before them based on their interpretation of the applicable legal principles in the context of the facts at hand. The proposed recommendation would unduly increase the burden on IGOs bringing cases in the UDRP.

Recommendation #4:

The WG’s Preliminary Issues Report suggests that no change be made to the Mutual Jurisdiction clause of the UDRP and URS because *“the WG is not able to say for certain that a third party’s infringing registration of a domain name would necessarily impede an IGO in carrying out its core mission within the scope of a functional immunity inquiry.”*

The WG’s conclusion is not supported by the findings of the PDP for three main reasons. First, the WG incorrectly restates the immunity test proposed by its own legal expert, Prof. Edward Swaine. Second, the WG misapplies this incorrect test by applying an inappropriate legal standard. Third, the WG’s proposed remedy for IGOs concerned about their immunities entails a complicated legal workaround which could undermine both an IGO’s immunities and its ability to defend its rights in its own name.

First, the WG incorrectly restates the functional immunity test provided by Prof. Swaine. The WG’s test asks whether, in a UDRP proceeding, the third party’s infringing use would be found to impede an IGO’s ability to carry out its core mission. However, Prof. Swaine stated that a functional immunity analysis would “*typically look to whether immunity concerns activities immediately or directly related to the performance of tasks entrusted to the organization.*”¹ This is an important distinction: the immunity analysis as stated by Prof. Swaine does not focus on the potential legitimacy of the third party’s claim, or on whether the third party’s use might interfere with the IGO’s core mission. Instead, Prof. Swaine’s immunity test asks whether, as a matter of principle, the IGO’s use and protection of its name falls within its mission or functions (hence the term “*functional immunity*” test). On that question of principle, Prof. Swain found that “*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.*”² In other words, Prof. Swaine found it likely that a court would determine that an IGO’s activities related to utilising and protecting its name and acronym fall within the IGO’s mission, and that an IGO is therefore entitled to immunity when exercising these functions. It is important to remember that this analysis assumes a court which interprets IGO immunities narrowly. Even using this strict test, Prof. Swaine found that an IGO’s immunity claim is likely to prevail. Numerous IGOs enjoy broader immunities, and numerous courts would not take such a narrow approach to assessing IGO immunities.

Second, the WG applies an impossible-to-attain standard to the test it devised: it establishes the threshold of legal “*certainty*”, which will be satisfied only if it can be demonstrated that all courts will “*necessarily*” find that an infringing registration impedes the IGO from carrying out its core mission. However, a legal certainty threshold is impossible to fulfil on virtually any issue. Prof. Swaine’s conclusion that an IGO’s assertion of immunity under the circumstances in question is “*likely to prevail*” should be more than sufficient to justify accommodating these immunities in ICANN dispute resolution mechanisms.

Third, the WG states that no change to the mutual jurisdiction provision is necessary because “*IGOs are able to file complaints through an assignee, licensee or agent.*” The legal basis for this claim is tenuous; Prof. Swaine states that “*the assignment might be ineffective*”.³ Even if such an assignment were found to be legally effective—a claim for which there is little jurisprudential support—Prof. Swaine admits that “*such assignments could themselves be regarded as waivers of immunity*”.⁴ Moreover, Prof. Swaine observes that an IGO employing the assignment strategy is in danger of not only inadvertently waiving its immunities, but also potentially weakening its claim to the very mark it is trying to protect:

¹ Swaine Memo, p. 19.

² Swaine Memo, p. 21.

³ Swaine Memo, p. 27

⁴ Swaine Memo, p. 27.

*The graver problem is that a flawed assignment might diminish the assignor's priority in the underlying mark for all purposes.*⁵

In light of the uncertainty surrounding the effectiveness of assignment from both an immunities and intellectual property perspective, the conclusion that such a complicated legal workaround is a viable remedy for the problem at hand is unsupported by the facts presented in the WG's report.

Finally, the WG states that it would be unfair to allow an IGO to invoke its immunities to avoid an appeal after prevailing in a UDRP proceeding if that IGO would be able to waive its immunities and appeal to a court of mutual jurisdiction if the IGO lost a UDRP case. This perceived imbalance could easily be avoided by providing for the possibility of appeal through an arbitration mechanism (see *also below*).

In light of its assessment of the immunities issue, the WG presents two options for the final element of its fourth recommendation, which concerns the appropriate approach to situations where an IGO succeeds in asserting its claim of jurisdictional immunity in a court of mutual jurisdiction and has prevailed in its case against a registrant, who then wishes to appeal the decision.

As a preliminary matter, we are concerned that the WG fails to appreciate the ramifications of its recommendation to leave the mutual jurisdiction provision unchanged for IGOs. The WG posits a possible case where an IGO "*succeeds in asserting its claim of jurisdictional immunity in a court of mutual jurisdiction*". However, mere acceptance of the mutual jurisdiction provision could be seen as a waiver of jurisdictional immunities for the purposes of the relevant proceeding. This is why IGOs have stated from the outset that the mutual jurisdiction provisions of the UDRP must be amended in order to be compatible with IGO immunities. If an IGO is found to have *already* waived its immunities, it is a purely theoretical exercise to contemplate what would occur if an IGO subsequently succeeded in asserting a claim of jurisdictional immunity in the relevant court of mutual jurisdiction. Where a court finds that the relevant IGO had already waived its immunity by submitting to the UDRP, the IGO would likely be estopped from subsequently raising jurisdictional immunity as a procedural defence.

Nevertheless, the following analysis assumes that it would be possible for an IGO to raise an immunity defence following acceptance of the mutual jurisdiction provision.

The WG proposes as "Option 1" that, if an IGO successfully raises an immunity defence, "*the decision rendered against the registrant in the predecessor UDRP or URS shall be vitiated*". This option would deny IGOs rights.

Implementing this option would curtail any rights the IGO does have to its immunities. Any losing registrant would know that one means of sweeping aside an unfavourable UDRP decision would be to lodge an appeal in a court of mutual jurisdiction. Even if that appeal is baseless, the IGO will be prevented from asserting the immunities granted to it under national and international law because the decision in its favour will simply be swept aside if the immunities claim succeeds. This option is likely to lead to a higher number of appeals against IGOs; a losing registrant may hope to have the

⁵ Swaine Memo, p. 27.

ruling against it vitiated by lodging a baseless appeal against the IGO in the hopes that the latter will raise its immunities as a procedural defence. By forcing the IGO to forfeit its case if it raises its immunities, ICANN would have effectively withdrawn the IGO's immunities as recognised by the relevant nation's courts.

The WG proposes a second option: *"the decision rendered against the registrant in the predecessor UDRP or URS may be brought before the [name of arbitration entity] for de novo review and determination."* The OECD strongly supports this second option as the only viable proposal, which would preserve the due process rights of both parties. In fact, as stated above, providing for the possibility of appeal to an arbitral tribunal from the outset of proceedings would resolve many of the issues raised in this PDP by eliminating the need for the mutual jurisdiction provision.

We disagree with the WG's claim that arbitration is a *"mechanism ... unfamiliar to registrants"*. Arbitration is a common means of resolving commercial contractual disputes. Countless treatises have been written on the topic, and curricula at law schools in common law and civil law jurisdictions around the world offer dedicated courses on arbitration. The course description for the arbitration class at a leading Australian university describes commercial arbitration as *"possibly the most widely used dispute resolution method in international business."*⁶ Numerous major law schools have entire programmes dedicated to the study of arbitration.⁷

The WG inaccurately claims that *"introducing this option would require that a registrant agree to such an appeal mechanism up front, in the form of a new provision in the domain name registration agreement"*. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the *"New York Convention"*) obligates its 156 States Parties to recognise agreements to arbitrate that both pre-date and post-date the emergence of a dispute.⁸ Article II(1) of the New York Convention stipulates that all States Parties *"shall recognize an agreement in writing under which the parties undertake to submit to arbitration all or any differences which have arisen or may arise between them"*.⁹ The New York Convention goes on to define an *"agreement in writing"* to *"include an arbitral clause in a contract or an arbitration agreement"*.¹⁰ Indeed, a United Nations Commission on Trade and Development (*"UNCTAD"*) treatise on arbitration states that agreements to arbitrate include *"[a]n agreement by which the parties to a dispute that has already arisen submit the dispute to arbitration"*.¹¹ An agreement signed by the parties at the outset of UDRP proceedings (or later) will therefore constitute a valid agreement to arbitrate. No amendment to registration agreements would be necessary.

⁶ University of Queensland course catalogue, Semester 1 2017, [International Commercial Arbitration Law \(LAWS7868\)](#).

⁷ See, e.g. The [National University of Singapore](#), the [Sorbonne](#), the [University of Geneva](#), the [University of London](#) and [Stockholm University](#).

⁸ *Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, New York, 10 June 1958, *United Nations Treaty Series*, vol. 330, No. 4739, p. 3, available from <https://treaties.un.org/doc/Publication/UNTS/Volume%20330/volume-330-I-4739-English.pdf>.

⁹ *Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, Art. II(1).

¹⁰ *Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, Art. II(2).

¹¹ UNCTAD Course on Dispute Settlement in International Trade, Investment and Intellectual Property, Module 5.1, The Arbitration Agreement, §1.1 Definition. Arbitration agreement, arbitration clause and submission agreement; (c) United Nations, 2005, available at http://unctad.org/fr/Docs/edmmisc232add39_en.pdf.

The Preliminary Issues Report queries whether “*adding binding arbitration without recourse to national courts create[s] a risk that the jurisprudence developed under such a system diverges from and becomes disconnected from that developed in national courts, without the ability to reconcile those differences*”. Given that only a minimum number of cases (the small number of those cases involving IGOs and which are subsequently appealed) would be concerned, there is no apparent basis for this concern.

Recommendation #5

Given the non-commercial nature of IGOs, the OECD agrees that ICANN should investigate the possibility of subsidising the cost of IGO access to the UDRP and URS.