

**REMAINING OPTIONS FOR WORKING GROUP DISCUSSION**  
**12 October 2017**

Preliminary Notes:

The co-chairs are proposing that the Working Group move toward a Final Report through focused discussion of the following options, with a view toward evaluating if it will be possible to gain consensus on any of them. Other options that were discussed previously by the Working Group have not been included in this proposal based on the co-chairs' assessment either that their essential elements have been adapted and incorporated into Options A, B, and/or C (below), or that they were based on an incomplete reading of the applicable rules (i.e. the previous Option 5).

The Co-Chairs start by observing that members of the WG seem to have achieved a high degree of consensus on almost all main elements of a Final Report:

- Domain registrants should have continued access to a court of mutual jurisdiction when an IGO is the DRP Complainant
- Trademark rights should remain the sole basis for establishment of an IGO's standing to file a DRP
- An IGO's assertion of Paris Convention Article 6ter protections in national trademark systems can be evaluated by DRP panelists as evidence of common law trademark rights in the absence of registered rights
- IGOs can mitigate any threat to their immunity claim by filing a DRP through an agent, assignee, or licensee

Despite that broad consensus we have been engaged in protracted discussion of what should occur in a hypothetical situation that, to our knowledge, has never occurred in reality – a domain registrant filing a judicial appeal following an adverse DRP ruling, and the Complainant IGO then successfully asserting judicial immunity in that appeals forum. The other elements of our broad consensus do nothing to make such a scenario more likely; indeed, IGOs that file a DRP through a third party are less likely to ever assert immunity in a judicial form. Yet the choice we make on that final detail addressing a hypothetical occurrence may determine whether our overall report and recommendations are accepted by GNSO Council and, subsequently, the ICANN Board.

The co-chairs note that they have retained Option A (known previously as Option 1) for discussion because it is an option that several Working Group members have supported. However, the co-chairs wish to reiterate that in their view Option A is an inappropriate departure from our prior decision that ICANN should avoid taking any position that seeks to limit the legal rights or prejudge the outcome of any judicial proceeding, and is subject to strong criticism as it would vitiate a prior UDRP finding of cybersquatting by a domain registrant upon an IGO's successful assertion of an immunity defense (The Co-Chairs recognize that although there may be examples where UDRP panels have reached incorrect decisions, that the best means to address such error is through judicial appeal, or appeal via arbitration as proposed in Option C). The Co-chairs further observe that Option A would leave IGOs in a worse position than they would be under the status quo (successful assertion of judicial immunity would remove the stay on enforcement of the prior UDRP decision), and as this would leave the IGO with no further available remedy, under these mechanisms, against the alleged cybersquatting, it is highly unlikely to be approved by the GNSO Council or the ICANN Board, especially as this PDP was chartered to evaluate whether and how access to the UDRP and URS could be improved for IGOs and INGOs.

The Co-Chairs further believe that Option B is unlikely to secure Council or Board approval because it incorporates Option A for grandfathered domains, and clearly establishes the new arbitration option solely for domains registered after its implementation date.

#### Options for Further Discussion:

##### **Option A:**

Where a losing registrant challenges the initial UDRP/URS decision by filing suit in a national court of mutual jurisdiction and the IGO that succeeded in its initial UDRP/URS complaint also succeeds in asserting jurisdictional immunity in that court, the decision rendered against the registrant in the predecessor UDRP or URS shall be vitiated.

##### **Option B:**

In relation to domain names with a CREATION DATE<sup>1</sup> before the Policy Effective Date, then Option A applies. In relation to domain names with a CREATION DATE on or after the Policy Effective Date, Option C shall apply. After five (5) years or 10 instances of Option C being utilized, whichever occurs first, ICANN and the various dispute resolution providers (including any who have administered arbitration proceedings under the new Option C) will conduct a review to determine the impact, both positive and negative, as a result of “trying out” Option C.

##### **Option C:**

Where a complainant IGO succeeds in a UDRP/URS proceeding, the losing registrant proceeds to file suit in a court of mutual jurisdiction, and the IGO subsequently succeeds in asserting jurisdictional immunity, the registrant shall have the option to transfer the dispute to an arbitration forum meeting certain pre-established criteria for determination under the national law that the original appeal was based upon, with such action limited to deciding the ownership of the domain name. The respondent shall be given 10 days (or a longer period of time if able to cite a national statute or procedure that grants a period longer than 10 days) to either 1) inform the UDRP/URS provider [and the registrar] that it intends to seek arbitration under this limited mechanism or 2) request that the UDRP/URS decision continue to be stayed, as the respondent has filed, or intends to file, a judicial appeal against the IGO’s successful assertion of immunity.

An IGO which files a complaint under the UDRP/URS shall be required to agree to this limited arbitration mechanism when filing the complaint. If, subsequently, it refuses to participate in the arbitration, the enforcement of the underlying UDRP/URS decision will be permanently stayed.

The parties shall have the option to mutually agree to limit the original judicial proceedings to solely determining the ownership of the domain name. Subject to agreement by the registrant concerned, the parties shall also be free to utilize the limited arbitration mechanism described above at any time prior to the registrant filing suit in a court of mutual jurisdiction.

In agreeing to utilize the limited arbitration mechanism, both the complainant and respondent are required to inform ICANN.

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<sup>1</sup> Creation Date is a field contained in the Whois response format. It is the understanding of this WG that for this specific field, the Creation Date value would not change as a result of a change of registrant, including from drop-catching scenarios.

**General Principles for Binding Arbitration:**

**Substantive law** – arbitrator decides dispute under the national law under which the judicial appeal was originally brought, not the UDRP / both parties can mutually agree to proceed under another national law (this is the normal practice in arbitration cases).

**Procedural rules** – same as in the applicable judicial system / different rules can be mutually agreed to by both parties.

**Venue** – to be conducted in an arbitration forum certified to meet certain basic criteria, and cannot be an IGO (e.g., WIPO) or the arbitration forum that decided the underlying UDRP, to assure lack of bias and de novo review.

**Panelist(s)** – Default option is a three-member panel, the chair of which must be a retired judge from that jurisdiction; explore possibility of creating a standing panel from which to choose the two panelists other than the chair (i.e. parties cannot choose the chair of the panel.)

**Language** – same language to be used as in national judicial forum (alternate language can be selected by mutual agreement of the parties).

**Discovery** – same as in judicial case.

**Interim remedies (e.g., domain locking)?** – same as if court case had continued.

**Remedies** – same as in judicial case.

**Costs** – seek to be the same as or lower than in a judicial case.

**Enforcement of award** – decision to uphold UDRP determination would result in domain transfer or extinguishment.

**Precedential value of decision** – While there's no way to fully replicate the precedent of a court decision, policy could state a distinct recommendation that any case shifted to arbitration should consider and seek to follow judicial precedent on similar cases brought under the same law, and also be consistent with prior arbitrations under that law (if any).