

22 December 2005

Mr R Shera  
Convenor  
Domain Name Dispute Resolution Group  
PO Box 11 881  
**WELLINGTON**

Dear Mr Shera

### **INTERNET NZ – DOMAIN NAME DISPUTE RESOLUTION**

Thank you for the opportunity to comment on the proposal of Internet NZ for Domain Name Dispute Resolution. My comments are derived from 6 years' experience as a WIPO Panelist (150 decisions). I have also been a Panelist for NAF and HKIAC. I am also a Fellow and Past President of the Arbitrators' & Mediators' Institute of New Zealand ("AMINZ").

#### **1. General**

- a) The whole style of the document is not appropriate for what in effect is a set of rules for a legal process. Although it follows the English precedent, I am unhappy with the chatty "we" and "us" style of drafting. More importantly, 1.2 and 2.4 seem hardly appropriate insertions in a definitive document of this sort.
- b) Of greater significance is my concern that the UDRP model is not being followed. I understand there may have been valid financial reasons for not asking WIPO to administer .nz disputes, but I do not understand why the UDRP model was not followed. Dispute resolution services, other than WIPO, such as NAF in Minneapolis and HKIAC in Hong Kong follow UDRP. The main reason for using the UDRP is because of the vast amount of case law built up over 6 years, particularly with WIPO and NAF. Their decisions would be of considerable precedent value. No doubt, there are English Nominet decisions which will be of assistance, but there is a much larger collection of WIPO/NAF decisions. These, of course, will assume some importance because some of the UDRP provisions have been incorporated into this proposal albeit with different wording in some instances.

## 2. **Arbitration or Expert Determination**

- a) It is important is to consider whether this procedure is an arbitration under the Arbitration Act 1996. The definition of 'Expert' in the Rules refers to an 'arbitrator'. This is clearly an indication of an arbitration rather than of an expert determination. The difference between the two forms of ADR has been discussed in some recent cases, e.g. *Forestry Corporation of New Zealand Limited v Attorney-General* [2003] 3 NZLR 328 and *Methanex Motunui Limited v Spellman* [2004] 1 NZLR 95 112.
- b) The distinguishing factor between arbitration and expert determination is whether natural justice safeguards are important to the parties. As Fisher J said in the *Methanex* case, by submitting a dispute to arbitration, the parties have demonstrated a wish to have their dispute determined judicially with the natural justice that that concept entails. They have a choice. They can dispense with natural justice by referring their dispute to expert determination rather than arbitration.
- c) A Court would have to decide what form of dispute resolution the parties have agreed to embrace. Express words that the decision-maker is "to act as an expert and not as an arbitrator" are frequently used to signify that the process is intended to be an expert determination. This wording has been found to be persuasive but not necessarily conclusive. An arbitration agreement under the Act does not need to be in any form. All that is required are the indicia of a consensus between the parties. If the requirements are that the Expert must act in accordance with natural justice and only on the evidence presented by the parties, it is likely that a court would hold that this procedure was an arbitration under the Act.
- d) If so, then the limited rights of appeal, (unless expressly included) and other provisions of the Act come into play. It needs to be thought out very clearly whether Internet NZ intends to provide an expert determination or an arbitration. In practice, I have found that expert determination is not popular. I have always turned requests to be an expert determinator and persuaded the parties to accept an arbitration. One obvious reason is that there is no statutory immunity from suit for an expert determinator as there is for an arbitrator, although in this respect I note that the proposed policy, like the UDRP, excludes liability on the part of the Expert.

## 3. **Mediation**

- a) I am not clear what is meant by an "informal mediation". Either there is a mediation or there is not.
- b) Who will be the mediator? Will it be some official at Internet NZ: what mediation training will he/she have had; will this informal mediator operate purely on process or will the mediator be someone who knows something about trademark and domain name dispute law? Normally, mediations are conducted against an agreement that specifies the terms of the mediation and the powers of the mediator. I am concerned about an "open-ended" approach when it is not clear what is to be provided.
- c) The whole advantage of mediation is that it is voluntary, whereas this process has an air of compulsion about it. In my view, compulsory mediation is not a good idea. I think the whole concept of informal mediation needs to be articulated better in the proposal.

- d) What is there which makes a respondent obliged to mediate? In my experience with WIPO, some respondents are extremely uncooperative and will try to derail the process.

#### 4. **Without Prejudice Material**

- a) I am not happy about using “without prejudice” material if such material has been created on a “without prejudice” basis. Some lawyers just do not understand the legal basis for using the words “without prejudice”. These words are usually effective when an offer is being made to settle a transaction. Yet the words are slapped on all manner of correspondence. The Policy ought to be articulated better to indicate that “without prejudice” offers of settlement should not be put before the expert. Arbitrators and judges never know about offers of settlement until after the case is over. It is the general wisdom that they should not know because otherwise their judgment could be clouded, even subconsciously.

#### 5. **What the Policy Covers**

- a) I am not sure what the Policy is designed to protect. I presume it covers both registered and common law trademarks. Do proper names, names of cities, etc. (on which there are numerous WIPO decisions) get covered? The UDRP is much more precise. It refers to marks “in respect of which the complainant has rights.”
- b) I recall the difficulties thrown up in numerous WIPO cases about proper names. I wonder whether this particular “can of worms” should be opened by this proposal. A proper name is usually only protectable if it has reached the status of a common-law mark. Thus, in WIPO cases, pop stars and football heroes were protected, but not Ted Turner or Gerry Falwell. The pop stars etc. were marketing goods by the use of their names. The others were not, although they were well-known persons. A case-by-case approach is probably better.
- c) There seems to be a restriction in the proposal on upholding trademarks thought to be generic. In my WIPO experience, I have come across marks which I thought should never have been registered because they were generic. However, I do not think that the Expert should “second-guess” the Trademark Office. If somebody has a registered trademark which could be vulnerable to a claim of genericism, the normal revocation processes should be invoked. In other words, a registered mark has to be accepted as such for the purposes of the process. It cannot be revoked by the domain name dispute process.
- d) I wonder why the word “confusingly” is omitted from para 4.1.1 in front of the word “similar”.

#### 6. **Who is the Respondent?**

The term “respondent” means the entity in whose name or on whose behalf the domain name is registered. I have always taken the view in WIPO decisions that the Domain Name Register should be treated rather like the Land Transfer Register, i.e. that the proper respondent is the registrant, despite being an *alter-ego* of some cyber-squatter. There is always only one respondent, namely the registrant at the time when the complaint is filed. Cases of cyberflight arise but

these can be dealt with by making registrars disciplined and not allowing any transfers while a dispute is pending.

#### **7. Who is the Complainant?**

The essence of the UDRP is that there is only one complainant; sometimes there can be two in the case of a trademark holder and a licensee.

#### **8. Hate Sites**

I think it is asking for trouble to say in para 6.2 that "fair use" may include sites operated solely in tribute to or in criticism of a person or business. There are many WIPO cases about hate sites. Some American panelists have, in my view, gone overboard under the banner of freedom of speech, in upholding hate sites, even when the complainant's registered mark is on the respondent's website. It is better, in my view, to delete 6.2 and to deal with hate sites on a case-by-case basis. Tribute sites are unlikely to attract complaints.

#### **9. Remedies**

I have failed to understand the option of cancelling, suspending or otherwise amending a domain name. In all the WIPO and NAF cases I have seen, the result has been either the domain name is transferred to the complainant or the complaint is refused. There would seem little point in cancelling the domain name because the registrant could immediately apply to reregister.

#### **10. Agreement**

I agree with:

- (i) the provision for appeals
- (ii) the limitation of three years

#### **11. Miscellaneous**

- a) The proposed fees do not seem unduly generous. The time of 10 days for forwarding a decision is too short. In my WIPO and NAF experience, whilst many disputes can be resolved within the 14 day period granted, there are many that cannot for various reasons. One imagines that most of the Experts will be reasonably busy people with practices to run. I see no reason why the 14 days (which has worked well enough in NAF and WIPO cases) should not apply here.
- b) In B15.4, I think that the respondent must make a counter-claim for reverse domain name hijacking where appropriate. The expert should not apply this pejorative label unless somebody has asked for it to be applied.
- c) Why should Internet NZ be in a position of having to approve a settlement? Surely parties of full legal capacity can make any arrangement they like.

## 12. Panelists

I have received through AMINZ, a copy of the advertisement calling for applications for the position of Expert under the Scheme. I agree that a background in dispute resolution is important. However, I consider that some knowledge of intellectual property law, especially trademark law, is fairly necessary. In my WIPO and NAF experience, questions of trademark law frequently arise. Also, general contract law – e.g. whether a respondent has a licence from the trademark owner or whether a retailer has a sufficient interest in a mark by reason of a distribution agreement. WIPO and NAF panellists whom I have encountered (and I have been on 3 person panels frequently) all have a had legal background. It is essential for the .nz scheme to command acceptance. The identity and reputation of the Experts is therefore central to obtaining this acceptance.

I should be pleased to discuss these points further and look forward to the implementation of the new arrangements.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Barker', with a horizontal line underneath.

**Hon. Sir Ian Barker, QC**

c.c. John Katz, QC  
Andrew Brown, QC  
Warwick Smith