

## **PAB Sub-Committee feedback on the review of DRS**

**Nominet asked for feedback** on proposals that the DRS should include protection for (a) words which have a distinctive character as a result of the use made of them; (b) dictionary words which are protected by registered Trade Marks or goodwill.

### **Response:**

The DRS already provides protection for words in respect of which a complainant can show rights. As a matter of trade mark law, rights exist in words which have a distinctive character as a result of the use made of them in relation to the goods or services for which they are used, and dictionary words which are protected by registered Trade Marks or goodwill. Consequently, it is a matter of fact that the DRS already does provide protection for such words. The DRS rules and any explanatory notes should make it clear that this is the case.

**Nominet asked for feedback** on a proposal that the DRS should include the following as examples of things that are not necessarily evidence of abuse:

A general offer to resell a domain name.

Sale of traffic (i.e. visitors to the domain name, or so-called “pay per click”).

Registering many domains.

### **Response:**

We believe that isolated offers to sell a domain, or “pay per click” activity are not of themselves evidence of abuse but done “in bulk”, can be such evidence. We feel that registering many domains, taken in context with other factors can be evidence of abuse. Indeed, it may be that registration of a number of domains without a clear reason why this has been done is evidence of abuse.

**Nominet asked for feedback** on the proposal that the DRS should include a statement that where the evidence is finely balanced, the weaker the rights that the complainant has, the less likely it is that abuse of registration or use will be inferred.

### **Response:**

We agree with this proposition.

**Nominet commented, and asked for feedback** on the proposition that it has always been free to file a complaint in the DRS, that all money paid for decisions is passed on to the expert, and Nominet does not charge for administering the service or providing a mediation service. Nominet believes that this makes the system accessible to all.

Nominet further commented that it does not intend to start charging for its own services in relating to the DRS.

**Nominet asked for feedback** on (i) whether an up front fee would increase the standard of complaints (which are generally poor); (ii) whether the free system encourages poor quality complaints, which puts respondents to needless time and expense in defending vexatious complaints; (iii) whether they should consider some sort of refund or costs order if a party wins (particularly on appeal); and (iv) whether the fees generally are too high and deter people from applying for a decision.

**Response:**

There is no clear consensus on the question of whether the losing party should be ordered to pay costs, but we think Nominet should consider the feasibility of making an ex gratia payment to reimburse costs of an appeal where the decision under appeal is found to be clearly wrong, (namely not simply “on balance” wrong but where the appeal tribunal finds the original decision indefensible or with no real merit).

Likewise, there is no firm consensus on the question of up front fees. Some think that requiring a small fee up front might make a complainant think more carefully about the complaint. Others think that this is unlikely to have a material effect on pleadings.

On balance, however, we are in favour of requiring complainants to pay a small (perhaps £50) fee up front which would be refundable if settlement is achieved or used towards the cost of requesting a decision if settlement is not achieved.

If Nominet does decide to pursue a policy of requiring the loser to pay costs, then how this is enforced should be regarded as an operational issue for Nominet to determine, perhaps by contractual obligation between the parties.

**Nominet asked for feedback** on procedural issues, including whether the reply stage of the DRS should be removed or altered. At present there is a reply stage which allows the complainant to respond to new issues raised in the respondent’s submission. Some perceive this to be an imbalance, allowing the complainant to have the last word.

**Response:**

It is routine within the legal framework for the complainant or applicant to have the final response (complainant’s claim, respondent’s reply, complainant’s reply to new issues raised by respondent). However, there may be other ways of dealing with the procedural issues within the context of the DRS. Mediation follows the respondent’s reply to the complaint. At present the Complainant is permitted to reply to the Respondent’s response. One proposal is that following mediation, both the complainant and the respondent be given an opportunity to make one further statement before the papers are sent to the expert for a decision.

**Nominet asked for feedback** on whether respondents should be given the opportunity to pay for a decision. We understand that at present, if a complaint is withdrawn

following mediation, a respondent has no facility to force the matter to a conclusion (which he might wish to do, if, for example, he suspects the complainant of an attempted reverse hi-jack).

**Response:**

We have no problem with respondents being given the opportunity to pay for a decision.

**Nominet asked for feedback** on whether the term “abusive registration” should be reworded as “unfair registration”.

**Response:**

We do not agree this should be done. We believe that the term “abusive registration” should be retained. We are concerned lest a misconception arises that a lower standard of proof is required to show that a registration is “unfair”, than to show that a registration is “abusive”.

**Nominet asked for feedback** on procedural issues including how to deal with issues raised by experts performing their own research, dealing with typographical errors in decisions, consolidation of tests relied upon by Experts, on how abusive registrations might be tested, and on the issue of delay in bringing a DRS case.

**Responses:**

***Experts Research:***

We appreciate that many complaints and responses are less than perfect, and as a consequence experts may feel they have little option but to research the matter themselves in order to keep within time lines. Nevertheless, there is a danger that an expert will put the wrong emphasis on evidence that has not been “tested” by the parties. Consequently, it should be made clear that if experts do seek to rely upon their own research, then the results should be put to the parties before it is relied upon.

***Typographical Errors and Consolidation of Tests Relied Upon:***

We agree with the proposition that Nominet and/or the experts should be empowered to correct typographical errors in decisions, and to consolidate and make known the information relating to tests set out in previous decisions that experts routinely rely upon, or are likely to rely upon.

***How Abusive Registrations Might Be Tested:***

We agree that it should be possible to rely upon a likelihood of confusion as evidence of an abusive registration; and that the abusive use does not have to be ongoing for the purposes of Policy 3(a(iii));

***Long Delay in Bringing a DRS Case***

It should be made clear that a long delay in bringing a DRS case without adequate explanation is likely to damage a complainant’s chances of success. The point at which rights must exist for the complaint to succeed should be clarified.

## **Other Issues**

We received representations from James Conaghan (elected member) and from the Earl of Errol (appointed member) both of whom expressed the very strong view that the DRS needs to be independent from Nominet. James also expressed the strong concern that the "Experts Review Group" (that monitors the Experts themselves) is formed exclusively by Experts and is chaired by the Chair of the Expert Panel.

The personal view of the Chair is that it is neither appropriate nor realistic to divorce the DRS from Nominet. Nominet administers the Scheme in the sense that it provides the framework within which it operates and provides a free mediation service. If the DRS were to be separated from Nominet it would put a financial burden on users of the system. DRS is not intended to provide a forum for complaints against Nominet (which might be a reason to separate DRS from Nominet), but provides a forum whereby parties who dispute rights to a name can seek resolution by independent third parties as an alternative to litigation.

Since the point has been raised by two separate members, Nominet is asked to take the point on board and consider the necessity and practicality of separating DRS from Nominet's own activities.

**Eric Ramage**  
**Chair, Nominet PAB.**  
**22<sup>nd</sup> December 2006.**