Submissions to auDRP review – Gilbert + Tobin, 6 February 2013

Gilbert + Tobin makes the following comments in relation to auDA’s review of the auDRP.

auDRP Policy and Rules (matters arising from UDRP review)

Safe harbours

Unlike many foreign trade mark systems, Australian trade mark law does not incorporate defences for freedom of speech or parody and does not include a general fair use defence. Incorporation of such matters within the auDRP would therefore be anomalous.

Australian trade mark law does provide that so-called nominative fair use of a mark (to refer to the trade mark owner or its goods or services) is almost invariably not trade mark infringement (since that will not amount to use as a trade mark for the purposes of section 120 of the Trade Marks Act 1995) and does provide defence for use of a mark as a good faith description of various aspects of goods or services (including compatibility with branded goods) and for use in comparative advertising. Similar exemptions effectively apply under the auDRP since those kinds of uses of a mark will generally not be likely to mislead or deceive. Furthermore, purely non-commercial use of a trade mark would generally be exempted from infringement under the Trade Marks Act as not trade mark use, and under the Australian Consumer Law on the basis of not involving use in trade or commerce.

However, those defences are effectively already incorporated into the second and third grounds of the auDRP. For example:

- domain name registrations which do no more than indicate (in a non-misleading manner) that the registrant offers the trade mark owner’s goods for sale will generally not breach the auDRP following the UDRP authority Oki Data v ASD, which has been applied in a range of auDRP cases;

- domain name registrations which use a trade mark for genuine non-commercial criticism or commentary purposes (in a manner not likely to confuse consumers) are unlikely to breach the auDRP following the criteria set down in Google Inc. v. Dmitri Rytsk [2007] AUDND 21 (8 August 2007).

Gilbert + Tobin does not consider that the auDRP needs to be modified to take into account these interests, since they are already accommodated within the auDRP.

Appeals
An appeal avenue within the auDRP would complicate auDRP proceedings unnecessarily, since these are intended to be a swift and low cost administrative proceeding. Appeals might encourage auDRP respondents to take no action in the initial proceeding with the intention of appeal in the event of an adverse decision, which would put complainants to further costs and reduce the certainty of the system.

Binding precedent is not presently a part of the auDRP, and it would be difficult to implement given the number of providers, lack of appellate authority and range of inconsistent decisions to date. However, consistency of decisions is critical and could be promoted by providing that prior authorities are at least to be considered as persuasive by the Panel, and/or by periodic review/analysis of decisions to determine key areas of inconsistency and educating panellists accordingly.

Limitation periods

Gilbert + Tobin does not believe that late claims are a particular problem under the auDRP, and in any case the length of concurrent use of a domain name is a factor to be considered in assessing legitimate interests and bad faith: Victoria’s Secret Stores Brand Management, Inc. v. Linda Cameron Pickard, Linda Watson [2012] AUDND 21 (3 July 2012), Colmar Brunton Pty Ltd v. Alta Computer Systems Pty Ltd LEADR-auDRP 10_18 (16 December 2010). Gilbert + Tobin therefore does not believe that there is a pressing need for a limitations period under the auDRP.

Any limitation period would need to take into account the following factors:

• As for the limitations periods applying to the Australian Consumer Law and Trade Marks Act, the period should commence at the time at which the complainant could have been reasonably aware of the registration of the domain name, not merely at the registration date. Mere registration without use of a domain name is unlikely to come to the notice of a trade mark owner (particularly a trade mark owner based overseas) and should not trigger commencement of a limitation period, nor should the limitation period correspond to the usual 2 year domain name licence period;

• Any limitation period should be consistent with that under the Australian Consumer Law and the Trade Marks Act, ie 6 years from each new application of the mark, not merely the first use of the mark.

In view of the above, introduction of a limitation period may significantly complicate auDRP proceedings, requiring a Panel to decide matters outside the usual range of issues in dispute in an auDRP proceedings, including when the complainant could reasonably have been aware of the registration of domain names. This is unlikely to be warranted by the actual incidence of complaints involving substantial delays.

Transfer procedures

Prolonged transfer periods are a problem across the .au system for both voluntary and auDRP transfers. A uniform transfer system should be introduced as soon as possible, preferably for all domain names but at least for transfers ordered under the auDRP. That system should include a direction from auDA (or the dispute resolution provider) to the registrar, set time limits for registrars to finalise a transfer and should not require cooperation from the registrant of the domain name. Alternatively, transfers could be processed at the registry level.

Loser pays

Legal fees typically substantially exceed the Panel fees payable for an auDRP complaint. The auDRP is intended to be an administrative proceeding and it may be inappropriate for a losing respondent (particularly if unrepresented) to meet the full legal costs of the complaint. Even in Court proceedings, legal costs are taxed with only 60-80% recoverable. auDRP providers are not in a position to provide taxation services or to certify taxation by outside tax consultants, and use of an outside tax consultant
is unlikely to be a cost-effective approach given that the sums at issue in auDRP proceedings will be significantly lower than those for a Court proceedings.

It may be appropriate for the unsuccessful party to pay the Panel's fee, or for this to be an available order of the Panel in the case of a party acting in a vexatious manner during proceedings. However, Panel costs represent a relatively small amount of the costs of represented complainants.

Gilbert + Tobin submits that the following alternatives could be considered:

- Adding a small fee to the Panel fee, for a respondent to pay by way of indicating its intention to defend the proceedings. That fee could be refunded in the event of a finding in favour of the respondent or forfeited to the complainant if the proceedings are not defended; or

- Providing for default transfer to the complainant in the event of a respondent's failure to file a response to the complaint. There should be no minimum requirement for a response, but a failure to provide a response should be taken as an indication of a lack of intention to defend the domain name; or

- Replacing the current combined complaint and grounds procedures with a slightly modified procedure including (for example) the filing of a pro forma complaint which the respondent must indicate an intention to defend, before the complainant needs to go to the expense of filing the complaint and grounds. Default transfer could occur if the respondent does not indicate an intention to defend the domain name within a set period.

All of the above would reduce the risk of respondents playing no part in the complaint, reduce complainant's costs, and deter vexatious domain name registrations at the outset. Gilbert + Tobin notes that under the revised trade mark opposition system commencing 15 April 2013, failure to file a notice of intention to defend an opposition similarly results in a trade mark application lapsing, so the above proposals are consistent with administrative trade mark opposition procedures.

Multiple domain names

One of the issues identified in the UDRP review was the difficulty of identifying whether other relevant domain names are owned by the same registrant and also require action. Reverse WHOIS searches are inaccurate and involve fees. Consideration should be given to some form of registry query, for example, for auDA to:

(a) identify “all domain names containing [search string X]” preparatory to an auDRP being filed. This would not involve privacy concerns since the search string would relate to the domain name, not the owner name; or

(b) provide the Panel only with a list of all domain names owned by a respondent for the Panel to assess whether these are relevant to the complaint.

Supplemental submissions

Currently Panels have discretion on whether to accept supplemental submissions, which leads to uncertainty. It may be desirable to provide rules addressing this, for example that reply submissions be permitted where additional matters have been addressed in the respondent's response (but not otherwise).

auDRP panel provisions

Gilbert + Tobin notes that contrary to auDA’s assertion, the restrictions on the .au domain do not in fact mean that “parties to an auDRP proceeding will almost always be Australian.” Foreign trade mark owners (with Australian trade mark holdings) clearly represent a significant percentage of auDRP
complainants. However, the use of Australian panellists ensures auDRP factors are viewed through the lens of Australian law which is beneficial.

Gilbert + Tobin further notes that there is presently a substantial difference between the results of complaints via main providers LEADR and WIPO. As at August 2012, for 2011/2012 decisions:

- WIPO had a transfer rate of 72% with 36 transfers; and
- LEADR had a transfer rate of 54% with 8 transfers.

While the statistical samples for each are relatively low, Gilbert + Tobin believes further enquiry into the basis for this difference is required. It appears that WIPO’s increasing share of the WIPO market is largely based on its higher success rate for complainants. Provider decisions might be regularised by institution of some form of requirement for the Panel to consider prior authorities, if not to the level of binding precedent (which we acknowledge would be difficult to institute at this point given the range of conflicting authorities already on the record). Alternatively, the results of decisions could be periodically reviewed and Panel training or practice notes issued to identify inconsistencies.

**Fees**

Fees are appropriate although a set bulk discount for multiple names would be beneficial. A set fee for a respondent to indicate an intention to defend a complaint may also be beneficial as discussed above. Given the limited number of competitors within the auDRP system, competition is unlikely to assist in reducing fees and may reduce the quality of decisions. As a matter of practice, as indicated by auDA’s complaint statistics and the numbers above, it appears complainants are already selecting WIPO over LEADR, even with costs being identical for each, potentially due to its transfer rate.

**auDRP search database**

The database is useful to some extent, but the lack of keyword functionality together with a lack of direct link to the authorities identified on the search means alternative options such as AustLII’s [http://www.austlii.edu.au/au/cases/cth/AUDND/](http://www.austlii.edu.au/au/cases/cth/AUDND/) are more useful. For example, it is impossible using the .au Dispute Resolution Search Database to conduct checks to determine which auDRP cases have applied key authorities, or addressed concepts such as laches (delay). Provision of broader search functionality would increase the utility of the database and promote consistency in auDRP decisions. At minimum, links should be provided to authorities indicated on the search.

Please contact us with any questions in relation to the above.

Yours faithfully

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