

Dispute Resolution Process Submission

From: Baldwins
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Baldwins is a major intellectual property firm in New Zealand, practising both as patent and trade mark attorneys and as intellectual property solicitors. It has offices in Auckland, Wellington and Christchurch, from which it provides services to local and international clients. These include major corporates and research-oriented firms across a range of scientific disciplines. Established in 1896, the firm operated for many years as Baldwin, Son and Carey, and was known internationally as Baldwins. On 1 July 2004 it adopted the name Baldwins.

Baldwins' trade marks group advises on all matters of branding, from brand creation and brand registration, to strategic portfolio management, including intellectual property auditing, licensing, franchising, and other commercial arrangements.

DOMAIN NAME EXPERIENCE

Baldwins have extensive branding expertise in domain names, including their registration, management, and disputes.

Baldwins acted for the plaintiffs in:

1. the first New Zealand court case involving domain names (Cadbury/Sanyo/ Xerox);
2. the first New Zealand court case in which a decision issued in relation to a domain name (OGGI); and
3. the first New Zealand court case involving an international domain name (NZ Post).

Baldwins has also been involved in other domain name cases that have been heard by New Zealand's courts.

Baldwins has been involved in a number of UDRP proceedings, acting both for Complainants and as the Administrative Panel. Successes include the recovery of airnewzealand.com, lookbeforeyoubook.com and newzealand.biz for clients.

INCIDENCE OF DOMAIN NAME DISPUTES

A thriving business in .nz domain names still exists. This can easily be confirmed by entering 'domain name' into TradeMe.

Baldwins have provided advice to a great number of clients in relation to domain names. This advice includes a large number of disputes or potential

disputes, mainly where another party has registered a domain name to which a client believes it has a right.

To answer James Clark/WebAddress's question in his submission of 23 February 2005, these disputes mainly involve domain names that reflect the name, brand and/or trade mark of our client.

Mr Clark also states that he has not been made aware of any domain name disputes in his time at WebAddress or at an earlier ISP/Registrar. This clearly conflicts with Richard Shearer's/FreeParking's experience in his submission of 17 February 2005, where he states that dealing with domain name disputes is a weekly task for his organisation.

Most registrars include a clear statement in their terms and conditions or registration agreement that they will not become involved in any disputes over domain names. The OGGI case clearly demonstrated that the courts support this stance. This may explain the lack of disputes brought to WebAddress's attention.

In many cases, we have contacted the registrant in an attempt to negotiate the return of the domain name to our client, often successfully, but sometimes not.

For generic Top Level Domains such as .com, we usually then discuss whether UDRP proceedings are justified with our client. This form of dispute resolution has been used by a number of our clients, who have found it to be both quick and cost-effective.

For .nz domain names, no such dispute resolution procedure exists. This has come as a surprise to some clients, particularly those who are aware of the UDRP. We usually discuss court proceedings. However, this is often not a financially viable option.

We strongly disagree with the comments made by Peter Belt in his submission of 25 January 2005 and Mark Nissen/AA Guides in his submission of 23 February 2005 that any legally supportable disputes will find their way to court. This is certainly not the case. The cost and time involved in court proceedings, combined with the uncertainty of the outcome, act as a strong deterrent to parties to become involved in court proceedings. This is true even in clear-cut cases of cybersquatting.

Baldwins are aware of a number of .nz domain names over which disputes exist, but where the party which alleges its rights are being infringed by the ongoing registration and use, or use alone, of the domain name is not pursuing the matter. This is invariably because negotiations have failed and the cost of pursuing the matter via court proceedings is prohibitive for all but large corporations.

From our experience, we believe there is a strong need for a cost effective means of resolving domain name disputes that involve .nz domain names. At

present, disputes over .nz domain names often remain unresolved due to the lack of such a dispute resolution procedure.

We do not anticipate the number of matters being referred to any such dispute resolution procedure being large. However, its existence would provide parties who allege their rights have been infringed with an incentive to encourage registrants to negotiate. Its existence would also act as a deterrent to potential cybersquatters.

NOMINET VERSUS UDRP

Our experience Nominet's procedure is very limited. Accordingly, we are not in a position to recommend its procedure over that of the UDRP.

However, we observe that in the majority of disputes involving .nz domain names, the registrant is located within New Zealand. Accordingly, issues arising out of differences in time zone and physical distance between parties will arise less frequently than for .com and other gTLD disputes, where the registrant is often located overseas.

Accordingly, the need to involve an international body to resolve .nz domain name disputes is probably not great. This suggests that a procedure similar to that of the Nominet procedure may be preferable.

COSTS

A disadvantage of the UDRP is that costs cannot be awarded. This means the significant costs incurred by the Complainant cannot be recovered if it succeeds. This applies even where the registrant of the domain name fails to respond to initial correspondence aimed at resolving the matter, and fails to file a Response to the UDRP Complaint.

In our view, this is inequitable. In clear cases of infringement, where the registrant has refused or failed to assign the domain name to the rightful owner and has failed to show any legitimate right to the domain name, the registrant should be liable to the rightful owner for at least a portion of the costs involved in the recovery of the domain name.

This will not affect parties who have legitimate rights to a domain name, or where the domain name involved is a generic one, so those parties who have a genuine claim to the domain name involved need not be concerned that they will be 'punished'.

In practice, we suggest that the complainant and the registrant should each be required to provide a sum of money with their complaint/defence. The person adjudicating the dispute should have a discretion to grant some of all of those funds to either party, as they see fit.