

9 May 2017

Domain Name Commissioner
Level 11
80 Boulcott Street
PO Box 11-811
Wellington 6142

Attention: Debbie Monahan

Email: policies@dnc.org.nz
VIA EMAIL ONLY

Dear Debbie

**New Zealand Institute of Patent Attorneys
Review of the WHOIS Service by the New Zealand
Domain Name Commissioner – Round Five**

We refer to the fifth request for submissions in relation to the review of the WHOIS policy (“the Policy”) and how it operates.

The following constitutes submissions made on behalf of the New Zealand Institute of Patent Attorneys (“NZIPA”).

Outline of Submission

While the NZIPA is very much aware that compromise is required when making changes to the WHOIS Policy and that no party will be completely satisfied. In compromising in the manner proposed, however, the DNC appears not to have correctly balanced the competing concerns of those who are truly vulnerable with those who require the information on the WHOIS database on a rapid basis for legitimate reasons. Instead, the compromise position detailed in the changes works best for those who only have ‘generalised’ privacy concerns; the nature of those concerns being addressed in previous submissions.

The NZIPA’s stance in relation to changes to the Policy has been iterated at length in previous submissions and it does not propose to repeat them here. Instead, the NZIPA has opted to detail its concerns in relation to each proposed change to the clauses of the Policy highlighting where there are drafting and interpretation issues that could lead to difficulties with governing the ‘Privacy Option’ as proposed. As it is very difficult to address drafting issues within submissions, it advises that it is willing to work with the DNC to assist it with making appropriate changes to the Policy.



Clause 8

It appears from the changes to clause 8 that the Registrant will be able to self-identify as an individual that is not 'significantly' in trade.

The NZIPA raises the following concerns as to how this will work in practice:

There appears to be no mechanism for checking the validity of the option to self-identify as an individual.

If the DNC is going to allow a 'tick box' privacy option, we submit that there needs to be some mechanism to check and/or challenge the validity of that identification.

In the experience of our members, Registrants in New Zealand rarely apply for a domain name in the name of a company or other organisation. Instead, an authorised representative, employee or member of the organisation will register in their own name on behalf of a company or organisation. In such circumstances, the Registrant is likely to automatically identify as an individual regardless of the reason for applying for the domain name. This would be especially prevalent in relation to Registrants who are applying on behalf of, for example, an incorporated (or non-incorporated) society or collection of individuals that does not view the organisation as being 'in trade'. The effect of such self-identification without any adequate checks is that the ambit of the privacy restriction will go far beyond that intended by the Domain Name Commissioner ("DNC"), i.e. the protection of those that are truly individuals without recourse to alternative means to protect their privacy.

It must always be remembered the intellectual property rights ("IPR") holders in New Zealand are often sole traders and small to medium enterprises that are as vulnerable, small and cash poor as the Registrants seeking the privacy option. This is important as once a status is in place, there is an inherent bias against a change of status; especially where there appears to be no mechanism requiring a review of that the status prior to its acceptance and/or for third parties to challenge that status once accepted. This would appear to unduly place the burden of policing this self-assessment on third parties. In circumstances where an IPR holder is seeking to enforce legitimate rights against a Registrant, this is yet another barrier to such enforcement in circumstances where (as detailed in previous submissions) a lack of speed and high enforcements costs are a damaging barrier to such enforcement.

The definition of 'trade' under the Fair Trading Act 1986 is inappropriate

The NZPIA's concern with the trade/non-trade distinction is that IPR's can be damaged without the Registrant being 'in trade'. These concerns have been well canvassed in our previous submissions and we do not intend to review these submissions at length. However, the NZIPA would like to briefly reiterate that the trade/non-trade distinction is an arbitrary one that is difficult to assess and enforce. In matters where cost, balance and workability are key considerations, it is the NZIPA's opinion that this distinction acts to prevent IPR holders efficiently and cost effectively enforcing their rights where there is no real justification for protecting the Registrant. Individual Registrants who are not vulnerable individuals and that are not 'in trade' as defined in the FTA can still infringe IPR's without a commercial or trade motivation. For example, where an individual disseminates works through their networks online in which copyrights subsist.

The NZIPA is particularly concerned that the definition of 'trade' as contained in the Fair Trading Act 1986 ("FTA") is being used. The definition of 'trade' within the FTA has been largely clarified through judicial interpretation. As with the claimed status of 'individual', there appears to be no mechanism in place within the Policy for assessing a claim that the Registrant is not 'in trade'. Given this lack of clarity, the NZIPA is very concerned that the option will be a 'tick box' exercise where either no-one will be responsible for making those checks or, if there is someone made responsible, that they will not be sufficiently educated in the meaning of 'trade' under the FTA; especially if that responsibility is devolved to the Registrar who has no commercial or other imperative to make thorough checks. For that reason, we are concerned that a claim to such a status will almost automatically be accepted and when accepted, difficult to change.

In order to highlight this difficulty, we use the example of a cybersquatter that is an individual. These types of individuals have a particular interest in hiding their details without a legitimate reason for doing so. Such individuals will invariably use the privacy option as, without checks, it is very easy for them to make the claim to such status. As they do not derive income from cybersquatting through an organisation or company and instead obtain income by way of settlement agreements with an IPR holder, there is no easy or cost effective way for a Registrar to assess whether they are 'in trade'. In such a situation, a Registrar is almost certainly going to accept the request. An extra cost and time burden is then placed on the IPR holder to seek details under a strict regime where the administrative costs associated with providing the details required proposed section 23.4 will rapidly accrue due to:

1. the inherent delay in the application process acting as a barrier to enforcement;
2. the costs associated with obtaining advice on the process; and/or
3. the costs associated with getting the application wrong where the cost of obtaining legal advice would be prohibitive;

In addition, if IPR holders wish to stop Registrants from obtaining the special status or to obtain a change of status, they will need to incur yet more costs in policing the database and advising relevant parties where discrepancies are found. In addition to costs, the difficulty with this process is that there appears to be no mechanism for reporting such abuses and, given the discretionary nature of the removal process, no guarantee that their concerns will be dealt with at all let alone in a timely manner or that they will be able to have any input into the process of assessing whether the status should be removed.

The key point in the above scenario is that an ability to claim 'non-trade' status without any burden of proof on the Registrant makes it far too easy for a Registrant to claim that status. It also shows that the ***whole*** of the burden of protecting 'privacy' is shifted away from the party claiming that status, who should shoulder those costs and for whom costs would be lower, to those with a legitimate right to enforcement for whom costs will be significantly higher. That in turn leaves the process vulnerable to abuse as detailed in the scenario above.

Where the Registrant is required to furnish proof of a legitimate need for the type of privacy being sought by an easily assessed objective standard, then the number of such requests would invariably remain small, reducing the risk of abuse, reducing costs to IPR holders (given the smaller number of legitimate claimants) and placing some of the burden back on the party that will enjoy that status. This in turn brings us back to the NZIPA's previous submissions

where only those that are truly vulnerable should be able to claim a special status. The vulnerability contemplated by the NZIPA would be a far easier standard to assess than the arbitrary and difficult to assess trade/non-trade status. In addition, it would remove the difficulties associated with the fact that both trading and non-trading Registrants have the ability to breach the legitimate rights of others. Examples of the type of clear and objective proof required in these situations are already set out by the Electoral Commission in relation to the unpublished Electoral Roll.

Summary – Claiming Status

For the above reasons the NZIPA submits that Policy should be amended to:

1. remove the unworkable trade/non trade distinction and replace it with a vulnerable person standard;
2. require clear objective proof of the circumstances supporting a claim to reduce potential abuse and to more equally share the burden of protecting that special status between the registrant and the party seeking the Registrant's details; and
3. provide some mechanism for third parties to challenge the special privacy status and have input into the decision making process where such a challenge is made to cover, for example, recidivist activity by particular Registrants. The maintenance of a 'back list' of recidivist Registrants should also be considered.

Request for Withheld Data

While it remains concerned as to the potential costs associated with the process, the NZIPA supports in principle the information recovery mechanism detailed at proposed clause 23. The NZIPA does have concerns over the lack of an appeal process against a Final Decision of the DNCL (using the definitions from the Policy) under this mechanism. While it is concerned that any such process is streamlined and as short and cost effective as possible, a lack of an appeal process may be considered a breach of natural justice especially where robust and defensible decisions should be the aim of the DNCL.

The NZIPA approves of, in particular, the 'accelerated method' of making claims under proposed clause 23.7 and for streamlining the process of making such a claim through the MOU process under proposed clauses 23.25 to 23.40.

The NZIPA submits that intellectual property practitioners, including law firms, lawyers, patent attorney firms and registered patent attorneys, should be able to take advantage of the streamlined access process on behalf of their clients. If the DNC is concerned as to possible abuses, Statutory Declarations to the effect that such information would only be sought for legitimate purposes could be obtained as part of the MOU process. In that case, the DNC would be supported in its efforts to police the use of the streamlined mechanisms by the NZIPA in circumstances where there is alleged misuse of the mechanism by its members or those supervised by its members; in that any such action would come under the disciplinary auspices of the NZIPA.

Thank you for considering our submissions. If you would like further information or wish to discuss the content of our submissions in any way, please contact our secretary on secretary@nzipa.org.nz.

Yours sincerely

Handwritten signatures of Corinne Cole and Matt Adams. The signature for Corinne Cole is on the left, and the signature for Matt Adams is on the right.

Corinne Cole
President

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Matt Adams
Councillor