



*INTERNATIONAL REGISTRATION PLAN, INC.*

# **IRP DISPUTE RESOLUTION COMMITTEE**

## ***Procedures Manual***

This manual comprises the procedures and guidelines of the Dispute Resolution Committee of IRP Inc., the Repository of the International Registration Plan.

In the event of a conflict of any provision contained in this manual with the provisions of the Plan or of the Charter of the Committee, the Plan or the Charter, as the case may be, shall prevail.

*Approved January 27, 2021*

## Table of Contents

<b>I. Submitting Issues to the DRC .....</b>	<b>2</b>
Parties to an Issue .....	2
<b>II. DRC Meetings .....</b>	<b>2</b>
Annual Meeting.....	2
Public and Transparent Meetings of the DRC.....	2
Notice of DRC Meetings.....	2
DRC Agenda.....	2
DRC Hearing Procedures .....	2
<b>III. DRC Decisions.....</b>	<b>3</b>
Rationales for Decisions .....	3
Audit Issues.....	4
<b>IV. After a DRC Decision .....</b>	<b>4</b>
Timing of Post DRC Meeting Items.....	4
Minutes.....	4
Parties' Options Following a Decision .....	5
Recommendations to Board.....	5
<b>V. Committee Members .....</b>	<b>5</b>
Member requirements .....	5
<b>VI. IRP conflict of interest policy. ....</b>	<b>5</b>
<b>VII. Appendices .....</b>	<b>5</b>

## I. Submitting Issues to the DRC

The Dispute Resolution Committee (DRC or Committee) is delegated by the IRP, Inc. Board of Directors (Board) and tasked through its Charter and under the authority of Article XIV of the International Registration Plan (the Plan) to resolve disputes and issues of interpretation that arise under the Plan. Further, where an issue has been brought before the Committee, the DRC is tasked with oversight of Plan compliance.

Article XIV of the Plan, "Dispute Resolution and Plan Interpretation," governs the DRC, its scope, and authority.

### ***Parties to an Issue***

For purposes of these procedures, a party to an issue may be:

- the party submitting the issue to the Committee;
- a Member Jurisdiction alleged by the submission to be out of compliance with the Plan; or
- other persons affected by the Committee's decision of the issue and which have received the approval of the Chair to be treated as a party to the issue.

## II. DRC Meetings

### ***Annual Meeting***

The principal meeting of the DRC shall, as outlined in the Charter, be at the IRP Annual Meeting.

If the Committee has no issues before it or any business to conduct, the Committee is not required to meet at the Annual IRP meeting.

### ***Special Meetings***

The Committee Chair and the Board Chair may call additional special meetings of the Committee, as they jointly deem necessary, for the following reasons/purposes:

- to consider an issue of special urgency;

- to resume consideration of an issue which has been continued from a regular annual meeting of the Committee; or
- to answer a question of Plan interpretation.

The Committee may hold a special meeting in person or by conference telephone call. Notice of a meeting will be provided by the Repository as soon as practicable.

### ***Public and Transparent Meetings of the DRC***

All Committee meetings, both face-to-face and via conference calls, are open and accessible to the public and the IRP community; however, during a DRC meeting, the Committee may deliberate on (but not vote on) issues in a closed executive session.

All official motions and Committee votes are made in an open public meeting.

Outside of scheduled public meetings, the Committee may meet to address DRC policies and procedures unrelated to specific issues brought before the Committee.

### ***Notice of DRC Meetings***

The Repository is requested by the DRC to provide public notice within 30 days of a meeting. Public notice should include:

- a draft agenda;
- identification of the parties to the issue; and
- a summary description of the issue.

### ***DRC Agenda***

The Chair is responsible for preparing, with the assistance of Repository staff, an agenda for each meeting of the Committee.

Issues on the agenda should include:

- a summary of the issue; and
- a listing of all known parties to an issue.

New agenda items are those requiring official actions of the Committee, which have been properly submitted to the Repository in accordance with Sections 1035 (audit) and 1400 (submission requirements) of the Plan.

Items from previous DRC meetings are included on the agenda until the dispute has been resolved and considered to be concluded by the Committee, and the resolution or conclusion has been recorded in the minutes of the Committee.

### ***DRC Hearing Procedures***

The Committee Chair shall preside at DRC meetings. In the absence of the Chair, the Vice Chair shall preside at the meetings.

Meetings of the Committee are informal relative to judicial proceedings. Rules of evidence used in judicial proceedings are not required at meetings of the Committee.

If it is alleged at the Committee meeting by a Committee member, or a party to the issue, that a submitted issue is incomplete, the Committee shall determine whether this is so before taking up the issue on its merits. If the majority of the Committee agrees the submission is incomplete, the Committee must dismiss the issue. If a determination cannot be made, the submission will be heard.

All parties to an issue, as well as members of the public, are to be provided an opportunity to be heard by the Committee at a public meeting.

### **III. DRC Decisions**

In reaching a determination, the DRC focuses on the meaning of the Plan and whether a Member is in compliance.

When deciding an issue before it, the Committee as a general guideline considers:

- the consistency of the proposed action with the provisions and objectives of the Plan;
- positive or adverse effects on Jurisdictions and Registrants;
- the desirability of making a Plan interpretation as opposed to recommending a Plan amendment pursuant to Article XV.

The DRC should try to resolve an issue brought before the Committee. Specifically, it should answer the questions the parties have asked, directly or indirectly, and give an answer in such a fashion that it provides guidance to the parties and to others who may find themselves similarly situated.

The degree of difficulty or importance of an issue should not determine whether it is decided by the DRC. An important or difficult issue is generally the kind the DRC should decide, rather than have the matter taken to court and thus out of the hands of the IRP community. However, the Committee may reach a decision and rule that the party or parties should first attempt resolution through a Jurisdiction's administrative proceedings, or the courts.

The DRC will render its decisions in a timely manner.

In order for the parties to a dispute, as well as the IRP community, to better understand the decisions, the Committee shall provide a detailed summary of discussions from a closed session at the next open session.

#### ***Rationales for Decisions***

In order that Committee decisions may be effectively used as precedent, it is expected that the Committee give a rationale when it renders a decision.

A rationale provided by the Committee will:

- elaborate on the DRC's decision in plain language;
- be reviewed by IRP legal counsel or the DRC parliamentarian;
- be approved by the voting members of the Committee; and,
- form part of the official record and be incorporated into Appendix E of the Plan.

The Plan encourages the Committee to decide issues before it; however, where an issue is the subject of an administrative or judicial proceeding, the Committee should consider ruling that the issue continue through the administrative or judicial proceedings.

If both parties to the litigation, or the court, request an interpretation from the DRC, the Committee may comply.

### ***Audit Issues***

Audit and audit re-examination related appeals are required under Section 1035 of the Plan to be addressed in accordance with the administrative and appellate procedures of the Base Jurisdiction.

Once the procedures under Section 1035 of the Plan have been exhausted, a Registrant may submit the audit-related issue to the DRC in accordance with Article XIV of the Plan.

## **IV. After a DRC Decision**

### ***Timing of Post DRC Meeting Items***

The date of the decision of the DRC is the date a motion is passed by the Committee.

Section 1415 of the Plan requires the Repository to notify parties to an issue within 30 days of a decision.

Draft minutes of a meeting are circulated by the Repository approximately 30 days post-meeting for review by Committee members.

To fulfill the requirements of Section 1415(b) of the Plan, the DRC requests that the Repository:

- record all DRC interpretations and a summary of the DRC decision rationale into Appendix E of the Plan; and
- incorporate informative footnotes into the sections of the Plan to which the interpretation relates.

### ***Minutes***

The Repository will record minutes of each meeting of the DRC and circulate the draft minutes for review and approval by the Committee. The minutes will include

the background of the issue, relevant commentary and decisions. Once approved, the minutes of a Committee meeting are the sole official record and will be made available via [www.irponline.org](http://www.irponline.org).

Following circulation of the draft minutes, the Committee does not need to convene and instead may approve the minutes by e-mail.

### ***Parties' Options Following a Decision***

Section 1420 of the Plan addresses the parties' options with respect to appealing a DRC decision.

### ***Recommendations to Board***

The Committee may make a recommendation to the Board (including a recommendation of a Plan amendment) following, or as part of, a decision to an issue. The DRC's recommendations are not binding on the Board.

The DRC may not sponsor a ballot for a change to the Plan.

## **V. Committee Members**

### ***Member requirements***

1. At least 3 years of IRP experience
2. Knowledge of the provisions of the Plan
3. The ability to travel to DRC meetings
4. The ability to volunteer for ad hoc committee work

## **VI. IRP conflict of interest policy.**

Each committee member shall review the IRP, Inc. Conflict of Interest Policy and complete and sign the acknowledgement form provided by the repository.

## **VII. Appendices**

Summary of Timelines ..... Appendix A

Standard DRC Submission Form..... Appendix B

DRC Role & Function..... Appendix C

## Appendix A

### Summary of Timelines

#### DRC Meeting at the IRP Annual Meeting

<b>Issue must be submitted in writing to the Repository</b>	<b>60 days prior to meeting</b>
<b>Repository to notify all parties of a properly submitted issue</b>	<b>50 days prior to meeting</b>
<b>Repository to provide public notice and draft agenda</b>	<b>30 days prior to meeting</b>
<b>Parties to dispute may provide supplemental information</b>	<b>20 days prior to meeting</b>
<b>Decisions rendered by Committee</b>	<b>1 day (normally next day after open meeting session)</b>
<b>Repository to notify parties of DRC decisions</b>	<b>30 days from meeting</b>
<b>Draft minutes circulated to Committee for review</b>	<b>30 days from meeting</b>
<b>Parties appeal to IRP Board if decision appealed</b>	<b>Within 45 days from the meeting</b>

## International Registration Plan

### *Dispute Resolution Submission Form*

This submission form for the Dispute Resolution Committee to hear an issue of Plan compliance or interpretation is to be completed in full for each request. All submissions must comply with Article XIV of the International Registration Plan.

Submission Date: \_\_\_\_\_

To be presented to the Dispute Resolution Committee for the meeting dated: \_\_\_\_\_

Party Submitting the Issue: \_\_\_\_\_

Principal Point of Contact:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Relevant Plan References:

Article(s): \_\_\_\_\_ Section(s): \_\_\_\_\_

1. Please outline the question or issue of compliance to be resolved:

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2. Please provide a brief explanation of the issue:

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Appendix B

3. Provide outline any evidence of prior actions, if any, taken by the parties to resolve the issue.

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4. Provide a statement of any changes in reporting, record keeping, or other paperwork that would be required by the resolution, interpretation or relief sought, together with identified costs or benefits.

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5. Provide a statement of the proposed solution of the issue or other relief sought.

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6. Identify the persons, businesses, organizations, and member jurisdictions that are affected by the issue and the relief sought.

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**Notes:**

*Please attach documents that support the claims made or the relief requested.*

*Please note that submitted documents will be mail available to all parties to an issue. It is the responsibility of the submitting party to edit the documents for distribution by the Repository by omitting/blocking out any identification, other than the names of a party to the issue -- the Repository will not circulate materials that have not been properly edited to remove personal information.*

*Where an issue of Plan noncompliance by a jurisdiction is being submitted by the Peer Review Committee under Sections 1355 and 1400 of the Plan, the final peer review report prepared by the Peer Review Committee for the jurisdiction may serve in place of items 1, 3, 4 and 5.*

*If this submission relates to an audit under review or appeal, please review section 1035 to determine if the DRC is eligible to hear the issue.*

With the submission of this form, I/we formally request that the Dispute Resolution Committee of IRP, Inc. hear and resolve this issue.

Name (printed): \_\_\_\_\_ (signed)\_\_\_\_\_

## Appendix C

### ***DRC Role & Function***

The IRP Plan is a complex document that represents a complicated process administered by some five dozen sovereign entities in two countries. Disputes over the meaning and the application of the Plan are bound to arise, and, of course, regularly do arise, both between a Jurisdiction and a Registrant and between Jurisdictions. These disputes are often on a large scale. Not only do they sometimes involve large sums of money, but their resolution can determine administrative behavior that in turn can affect the behavior of thousands of business entities and ultimately inter-jurisdictional and international commerce.

It is a goal of the DRC to keep IRP out of the courts as IRP disputes are not well-suited to resolution by the courts. If a high degree of uniformity, consistency, and certainty in Plan administration is to be maintained – and it must be – it will be best if courts are not called on frequently to rule on IRP matters.

Involving the courts in IRP matters has a number of problems. First, when a dispute involves two U.S. states, it must, under the U.S. federal system, go directly to the U.S. Supreme Court. This would be an unreasonably cumbersome (and in practice uncertain) means of dealing with IRP issues except in the most unusual instances. Second, there would always be some tough jurisdictional issues if the dispute involved a state and a province, issues that would be very apt to color the validity of whatever decision might eventually be rendered. Third, nearly all issues concerning IRP will be more or less technical in nature, involving rather difficult to understand matters of motor vehicle administration. Although courts are obliged to handle highly technical matters in any number of areas, the results are frequently uncomfortable and discrepant. Finally, and most important of all, the effect of a decision of a court in one jurisdiction on all the other Member Jurisdictions of the Plan is very uncertain.

The DRC provides a positive alternative to more basic ways of making IRP policy; that is, by the membership at large. Many issues involving the Plan have been settled over the years by discussion and eventual Member consensus, and others have been settled by Plan amendment. Neither of these methods of issue resolution, however, is entirely appropriate for all matters that may arise. Some may demand speedier resolution than can be accommodated by true consensus-building, and others may be inappropriate – as too unrepresentative or too fact-specific – to be handled by amendment.

The need for an alternative mechanism to resolve specific issues made itself felt early in the life of the Plan, and the Governing Board was instituted. The current DRC has evolved from the old Governing Board, and closely resembles it in many ways. To function properly as an alternative to policy-making by the full membership, which is essentially a political process, the DRC needs to preserve certain elements of such policy-making:

To maintain the effectiveness of the DRC and its processes, the DRC must be:

*Fair*            The fairness of the DRC is not guaranteed or even mentioned in either the Plan or Committee Charter – it is assumed. To maintain the DRC's

## Appendix C

considerable value, the DRC must be perceived as fair by the IRP community – Members and industry alike.

*Open* This is implied by the language of the Plan, guaranteed by the Committee's Charter, and is a strong Board and DRC tradition. DRC meetings are open to the public like all other IRP functions, and anyone is free within the framework of the meeting to contribute to the proceedings. This reflects the need for broad input to a decision-making process to maintain the respect of Jurisdictions and industry alike. If the process is not open, and perceived to be so, interested parties may be tempted to take the matter to the courts. Openness is a requisite if the Committee process is to be seen as fair.

*Speedy* One of the advantages of taking an issue to the DRC for resolution instead of relying on what is apt to be a drawn-out process of building consensus or a judicial process is that an answer can be had more quickly. Sometimes there are specific, pressing reasons for the speedy resolution of an issue – especially if an answer to an issue is needed for all Jurisdictions. It has been the tradition of the DRC, and of the Board before it, to issue a decision on an issue on the same day (or at least at the same meeting) the issue was heard.

*Certain* If a party takes an issue to a forum designated to resolve issues, it expects a decision. Both the language of the Plan and the Charter urge the Committee to rule on the issues before them. These provisions grew out of the reluctance of the Governing Board in some years to decide more difficult issues. This factor also implicates both the desirability of keeping IRP out of the courts, and the determination of what types of issue the DRC should take up.

*Flexible* The process of consensus-building is flexible; amending the Plan is not. DRC procedures, and, before that, those of the Governing Board, have been informal and flexible, more like those of a mediation process or even a political body than like a court. This reflects the nature of the DRC as an alternative to the fundamental tendency of the Plan to leave policy decisions to the membership as a whole – a process more political than judicial.

*Expert* For its decisions to be properly respected, the members of the DRC should be experienced in Plan policy and Plan administration. This makes the DRC more appealing as an alternative to the courts.

*Enforceable* The Plan provides that decisions of the Committee are binding on the membership, and in practice they have proven to be enforceable. This factor again makes the DRC a reasonable alternative to the court system.