

ARBITRATION AND MEDIATION CENTER

> Mr. Rod Beckstrom, CEO and President Mr. Peter Dengate-Thrush, Chairman, Board of Directors Internet Corporation for Assigned Names and Numbers (ICANN) 4676 Admiralty Way, Suite 330 Marina del Rey, CA 90292-6601 United States of America

By email: rod.beckstrom@icann.org; peter.dengatethrush@icann.org; 4gtld-base@icann.org; 4gtld-guide@icann.org

Re: WIPO Center Comments on Version 4 of ICANN's Draft Applicant Guidebook

June 16, 2010

Dear Mr. Beckstrom, Dear Mr. Dengate-Thrush,

Set out below are observations of the World Intellectual Property Organization Arbitration and Mediation Center (WIPO Center) in connection with rights protection mechanisms (RPMs) found in Version 4 of ICANN's Draft Applicant Guidebook.

Having <u>previously articulated</u> its various RPM-related proposals and reactions in greater detail, the WIPO Center hereby summarizes its core positions.

Mechanisms compromised by registration pressures cannot stem the tide of expected abuse

The WIPO Center is concerned that registration-driven pressures continue to disproportionately influence what amount to negotiations on RPMs. Although registration authority operational considerations must be taken into account, we note conflicts of interest seem to influence the enforcement discussion.

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Resulting from drawn-out processes aimed at "consensus" flowing from such interests, current RPMs do not adequately address trademark concerns. Principal intellectual property stakeholders remain unconvinced that, at least in their present form, these RPMs will provide balanced tools for dealing with the vast potential for increased trademark abuse, the attendant high costs of defensive registrations, and broader enforcement burdens.

WIPO, which has contributed the Uniform Domain Name Dispute Resolution Policy (UDRP) to ICANN, would respectfully invite ICANN's considered attention to the stated positions in connection with ICANN's New gTLD Program.

ICANN's current PDDRP misses a timely opportunity for registration authorities to responsibly partner towards a credible DNS

The WIPO Center has consistently encouraged a forward-looking approach to stimulate discussions, including importantly, on Safe Harbors. Currently, registration interests appear reticent to this approach.

The scope of the current ICANN Trademark Post-Delegation Dispute Resolution Procedure (PDDRP) – as limited to affirmative conduct – undermines the intended effect of encouraging responsible TLD management and DNS credibility.

With the WIPO Center, significant ICANN stakeholders (including, among others, INTA and MARQUES/ECTA) have called for consideration factors to address the very real possibility of willful blindness occurring in the course of the management of new domains.

At a time when prospective applicants are seeking clearance of practically unlimited registration opportunities, it is unconstructive for those interests to expect trademark owners to perpetually turn to second-level enforcement efforts in a multi-jurisdictional context. A proactive approach would be to focus on the design of realistic Safe Harbors – which would not include a sweeping policing duty for registration authorities.

ICANN's emerging contractual framework, for registries, registrars, and registrants, offers a unique opportunity for all *bona fide* stakeholders to combine a measure of legal certainty with a move from questions of liability to responsible partnership for a new DNS.

The current URS has become an overburdened procedure

The WIPO Center believes in the potential for a lighter alternative to the UDRP (and has made a <u>proposal</u> to this effect over a year ago). However, the Uniform Rapid Suspension System (URS) is emerging from committee(s) work as an unduly burdened option for obtaining the temporary suspension of a domain name.

That burden currently consists of a combination of factors including: panel appointment even in default cases; panel examination of possible defenses in default cases; the possibility of appeal during two years from default; a higher burden of proof; uncertainty as to results (*i.e.*, owing to possible gaming scenarios and "revolving-door" monitoring burdens); use of the conjunctive bad faith registration and use; limiting marks forming the basis for a URS claim to either so-called substantive review or Clearinghouse validated marks (with cost and time implications); apparent translation requirements; a seeming option for re-filing; the possibility for *de novo* appeals; and, significant timelines.

Any Trademark Clearinghouse must be non-discriminatory

The current design would appear to turn the Clearinghouse into an arbiter of the validity of trademarks legitimately obtained through systems applied in many jurisdictions. In the effort to counter the possible gaming of trademark systems for the DNS, it is important that the Clearinghouse functions on a non-discriminatory basis. (The possibility could be explored of treating registered marks as *prima facie* valid, *e.g.*, where subject to later challenge.)

Furthermore, limiting the use of Clearinghouse data to identical matches (and only at launch) would miss many abusive domain name registrations.

The Clearinghouse operating terms should not unduly capitalize on trademark owners' infringement concerns.

ICANN's New gTLD Program should not be a catalyst for destabilizing the proven UDRP

The current New gTLD Program represents an opportunity to design RPMs that meaningfully complement the UDRP. It should not open the door to ill-advised efforts that will risk destabilizing the globally-recognized UDRP tool.

We are posting a copy of this letter on the WIPO website for public information at http://www.wipo.int/amc/en/domains/resources/icann/.

Yours sincerely,

Erik Wilbers Director

WIPO Arbitration and Mediation Center