

Comments on the Trademark Clearinghouse, Uniform Rapid Suspension System and Post-Delegation Dispute Resolution Procedure

First of all, I would like to welcome the opportunity of submitting comments in relation to the Trademark Clearinghouse, the Uniform Rapid Suspension System (URS) and the Post-Delegation Dispute Resolution Policy (PDDRP).

Trademark Clearinghouse

Overall, the Trademark Clearinghouse (TMC) is a good step towards a more efficient, centralised and coherent registration culture and I would like to congratulate ICANN for adhering to the vision and respecting the work of the Special Trademark Issues (STI) team in relation to the Trademark Clearinghouse. However, at the same time, there are some points within the Draft Applicant Guidebook (DAG4) that, if not addressed, could potentially create various problems for ICANN, the non-commercial users and the wider Internet community.

To this end, I would like, in general, to draw your attention to some concerns I feel should be either clarified, be re-worded or omitted.

First of all, the initial and original purpose of the TMC was neither to create nor to confer any new rights upon trademark owners. Yet, according to the version that is incorporated in DAG4, the TMC will also be validating marks and this validation will subsequently be used as a justification in both the URS and the PDDRP. The TMC should **not** be allowed to be used as a validator for marks, which informally allows the TMC to acquire the same status as that of courts. Such an allowance gives the TMC power beyond its intended purpose and original mandate. I would, therefore, like to recommend that the term 'Trademark Clearinghouse-validated marks' is removed from all the various parts that is being mentioned in the TMC, the URS and the PDDRP.

Another crucial issue that is missing from the TMC is a provision that allows trademarks to be classified in classes, mirroring the International Classes of Goods and Services. This is a crucial element, as this service will compensate for similar and identical trademarks that under traditional law co-exist harmoniously. It will especially be important for small and medium-sized enterprises (SMEs) and for trademark owners in developing countries. The International Classes of Goods and Services is mentioned in the Trademark Notice, but should be inserted within the main body of the TMC. I suggest that it is incorporated in section 5, "Criteria for Trademark Inclusion in Clearinghouse" before the paragraph beginning with "Registrations that include top level extensions ... would not be permitted in the Clearinghouse)".

Other, more specific issues that we would like to draw your attention to include:

- **Page 2: "For Sunrise services – Registries must recognize all text marks: [...] iii) that are protected by a statute or Treaty currently in effect on or before 26 June 2008".**

I would like to ask ICANN to clarify to which marks 'protected by Treaty' it refers. The only Treaty that I can think of in relation to the protection of marks is the 1981 Nairobi Treaty on the Protection of the Olympic Symbol. This Treaty, however, does not seek to protect the name 'Olympic' per se rather the whole icon of the Olympic mark along with its symbol and its

association with games. (“Any State party to this Treaty shall be obliged, subject to Articles 2 and 3, to refuse or to invalidate the registration as a mark and to prohibit by appropriate measures the use, as a mark or other sign, for commercial purposes, of any sign consisting of or containing the Olympic symbol, as defined in the Charter of the International Olympic Committee, except with the authorization of the International Olympic Committee. The said definition and the graphic representation of the said symbol are reproduced in the Annex.” Article 1 of the Treaty). I would like to state that the term of Olympic, by itself and without any association to the Games, is a word associated with the tradition and culture of Greece and this should be taken into consideration when seeking to protect it beyond its original scope. (<http://www.komaitis.org/1/post/2010/06/olympic-a-greek-word-the-mistake-the-international-olympic-committee-makes.html>)

- **Page 3: “As set forth more fully below, there had been some suggestions that the role of the Clearinghouse be expanded beyond trademarks rights and the data that can be submitted be expanded beyond trademarks and service marks. As described below, there is no prohibition against the Trademark Clearinghouse Service Provider providing ancillary services, as long as those services and any data used for those services are kept separate from the Clearinghouse database”.**

This is contrary to what the STI recommended; although it was accepted that the TMC provider may provide ancillary services, the STI envisioned and made clear that such services should be directly related only to trademarks (common law marks, etc). It was decided that all other intellectual property rights fall outside the scope of the Clearinghouse and therefore should not be included. (“As set forth more fully below, although there has been some suggestion that the role of the Clearinghouse be expanded beyond trademark rights and that the data which can be submitted be expanded beyond trademarks and service marks, after careful consideration, these suggestions are not part of this proposal largely because they are at odds with the core purpose of the Clearinghouse, which is to facilitate cost effective and efficient data validation, maintenance and transmission, STI RECOMMENDATION, pp.4-5). I would like to recommend therefore the removal of this section.

- **Page 5: “Registrations that include top level extensions such as “icann.org” as part of the trademark or service mark will not be permitted in the Clearinghouse regardless of whether a trademark registration has issued or it has been otherwise validated or protected as a trademark (e.g., if a trademark existed for icann.org, icann.org would not be permitted in the Clearinghouse)”.**

This provision appears to be discriminating against valid trademark registrations and fails to take into account contemporary business trends. Many businesses, especially SMEs, are established and they operate solely online. Such businesses hold valid trademark registrations and national Trademarks Offices (including those of the US and the UK) have acknowledged and have produced guidelines for such trademarks. I do not see the rationale behind such an exclusion and I would request ICANN to provide the community with some clarification on why such trademarks cannot be included in the TMC.

The Uniform Rapid Suspension System (URS)

Overall, the URS model adheres to the vision of the STI to create a rapid system for the resolution of blatant and clear-cut cybersquatting cases. However in some instances, the new document incorporated in DAG4 departs from the language and wording of the STI model.

One of the issues that is of great concern, is the replacement of the phrase “Safe Harbors” with “Defenses”. The February 2010 revised URS document, mentioned the following: “The GNSO-STI Model called these Safe Harbor Provisions. Further independent analysis suggests these bullets may be more accurately termed as defenses”. I would request ICANN to produce to the community this independent analysis and elaborate on the change of terminology. I would like to further recommend that the term ‘defenses’ be substituted by the term **‘absolute or complete defenses’**, which etymologically is closer to the original term “Safe Harbors”.

On more specific issues, I would like to draw your attention to the following issues and suggest some new wording and/or deletions in the current language of the URS.

- ***Paragraph 1.2 (f) states: “A description of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely: (i) that the registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; (ii) and that the Registrant has no legitimate right or interest to the domain name and; (iii) the domain name was registered and is being used in bad faith.”***

I recommend this section to be amended as follows: “A description of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely: (i) that the registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; and (ii) that the Registrant has no legitimate right or interest to the domain name; and (iii) the domain name was registered and is being used in bad faith.”

- ***Paragraph 2 “Fees”, paragraph 2 states: “A ‘loser pays’ model has not been adopted for the URS. Given the nature of expected disputes through this mechanism, it is thought, more often than not, that no response to complaints will be submitted and the costs of recovering the fees actually will exceed their value”.***

The way this sentence reads appears as if the URS is instructing its Examiners to view URS disputes under a presumption of guilt for the Respondents, which is totally unfair and against due process. We really cannot anticipate the volume of responses that will be filled under the URS. I, therefore, strongly recommend that the wording **“it is thought, more often than not, that no response to complaints will be submitted”** is removed.

- ***Paragraph 4 “Notice and Locking of the Domain”:*** This section requires Registry Operators to respond to the decision of a URS panel by ‘locking’ the domain name.

Asking Registry Operators – instead of Registrars – to perform such an action is highly problematic. The registration system is hierarchical and involves Registrants, Registrars and Registries. Registries are not directly related with Registrants and use Registrars as their intermediaries to provide domain name services. Under the current language of section 4, it is not the job of Registries to proceed to the ‘locking’ of the infringing domain name, rather that of Registrars (who will naturally notify Registries). The current language bypasses one significant layer in the Registration hierarchy – that of Registrars and is contrary to the way the UDRP operates in this respect. We believe that Registrars should be the point of contact of the URS Examiners for the following reasons: (i) Registrars have existing procedures (as used in the context of the UDRP) in place to perform similar functions; (ii) Registrars have a direct relationship with Registrants, whereas Registry Operators have not; (iii) Registrars already have customer services that seek to assist Registrants.

- **Paragraph 4.3. states: “All Notices to the Registrant shall be sent through email, fax (where available) and postal mail. The Complaint and accompany exhibits, if any, shall be served electronically. The URS Provider shall also notify the registrar of record for the domain name at issue via the addresses the registrar has on file with ICANN”.**

For purposes of clarity, this section should be split in two sections, namely: **Paragraph 4.3.:** All Notices to the Registrant shall be sent through email, fax (where available) and postal mail. The Complaint and accompany exhibits, if any, shall be served electronically.” **And, Paragraph 4.4.:** “The URS Provider shall also notify the registrar of record for the domain name at issue via the addresses the registrar has on file with ICANN.”

- **Paragraph 5 “The Response” section 5.4 (c) states: “Any defense which contradicts the Complainant’s claims”.**

This is a mistake. Domain name rights might exist independently and separately from the Complainant’s rights and, thus, there is no need to respond to such a defense. Section 5.4. (c) should be removed.

- **Paragraph 5 “The Response” section 5.4:** We suggest that we add here another section (e) entitled: **Absolute/Complete Defenses.**
- **Paragraph 5 “The Response” section 5.8 (b) states: “The domain name sites operated solely in tribute to or in criticism of a personal or business that is found by the Examiner to be fair use”.**

Fair use constitutes an affirmative defense and as long as the Registrant is able to provide evidence of such use, the Examiner should accept it unwittingly. The language of this section implies that the proof of fair use lies to the discretion of the URS Examiner. This is against due process and gives URS Examiners with too much discretionary power. **I, therefore, recommend that the phrase: “that is found by the Examiner” be removed.**

- **Paragraph 5.9:** It appears that there is a grammatical error and the word ‘NOT’ is missing. The sentence should read: **“Other considerations that are not examples of bad fair for the Examiner”.**
- **Paragraph 12 “Appeal” in section 12.2. states: “The fees for an appeal shall be borne by the appellant. A limited right to introduce new admissible evidence that**

is material to the Determination will be allowed upon payment of an additional fee [...]”.

Making the introduction of new evidence contingent upon an additional fee is unfair and there is no rationale behind it. As long as the appellant pays the required fees for an appeal, there is really no justification for making new evidence contingent upon the payment of a fee. **ICANN should waive this additional fee requirement.**

Trademark Post-Delegation Dispute Resolution Procedure (Trademark PDDRP)

On the issue of the PDDRP, I would like to stress that the process of implementing such a dispute resolution model has not been discussed to the extent that other trademark protection mechanisms have and there are some crucial questions that are still awaiting answers. The PDDRP has not been part of the same consultation process as compared to the Trademark Clearinghouse and the URS; rather, it was a proposal submitted by the Implementation Recommendation Team (IRT), it was not part of the STI’s mandate and, therefore, it is not part of ICANN’s multi-stakeholder model.

One of the most important issues concerning the PDDRP, which is also of great concern, is the following: Considering that a PDDRP action is successful and that the ultimate sanction is imposed upon a Registry, i.e. its termination, what will be the processes allowing Registrants to vindicate their rights? How do ICANN and the PDDRP envision that the rights of legitimate Registrants will be secured? What mechanisms are in place? What about the future of Registrars? We believe that failure to provide sufficient answers to this question indicates that the PDDRP is pre-mature and should not be adopted.

Turning on the more substantive issues of the PDDRP, my concerns are the following:

- **Paragraph 3 “Language” states: “The language of all submissions and proceedings under the procedure will be English”.**

This is too unfriendly and there is simply no justification why the language of the proceedings should be conducted in English, especially within ICANN’s multi-cultural and multi-language framework. What about IDN Registry Operators? What about Registry Operators in the developing world? ICANN should be striving towards creating procedures that are welcoming to all its participants and this achieves completely the contrary. I urge you to remove this rule and expand the availability of languages.

- **Paragraph 5 “Standing” states: “The mandatory administrative proceeding will commence when a third-party complainant (“Complainant”) has filed a Complaint with a Provider asserting that the Complainant is a trademark holder (which may include either registered or unregistered marks as defined below) claiming that [...]”.**

Although in the Trademark Clearinghouse there is distinction between registered and unregistered marks (in the latter case allowing only common law court-validated marks), in the context of the PDDRP such a distinction is not made. I would like to draw ICANN’s attention to the danger that such an inclusive provision will create. Almost every word is or can be a common law trademark. Allowing such trademarks to be part of the PDDRP dispute gives the trademark community the opportunity to turn against Registries for every single word that is part of our vocabularies. It is unrealistic to expect Registry Operators to provide due care to terms such as ‘fortune’, ‘people’, ‘time’ etc, which are common words and in some very few jurisdictions happen also to be trademarked terms. We recommend, therefore, that the same distinction that is part of the TMC be incorporated in the PDDRP.

- **Paragraph 9 “Threshold Review” section 2 states: “The Complainant has asserted that it has been materially harmed as a result of trademark infringement”.**

Although we understand the rationale behind it, we believe that the definition of material harm may prove challenging. By using this term, the PDDRP is recognizing abuse that does not require actual trademark infringement or threats of trademark infringement. I would like to ask ICANN to provide the wider Internet community with information as to the interpretational boundaries of material harm.

- **Paragraph 11 “Reply” states: “The Complainant is permitted ten (10) days from Service of the Response to submit a Reply addressing the statements made in the Response showing why the Complaint is not “without merit” [...]”.**

We would like to ask ICANN to explain what is the rationale for the PDDRP to provide two opportunities to trademark owners for a reply. On its face, this provision appears not to follow the paradigms of ICANN’s dispute resolution mechanisms, i.e. the UDRP and the URS.

- **Paragraph 14 “Expert Panel”:** According to the PDDRP, one-member panels will be the default rule for PDDRP disputes (unless either of the parties requests a 3-member one). Given the importance and seriousness of such disputes, I would like to suggest that a three-member panel default rule should be enforced.

- **Paragraph 16 “Discovery” states: “Whether and to what extent discovery is allowed is at the discretion of the Panel, whether made on the Panel’s own accord, or upon the request from the Parties”.**

Discovery is an important aspect of every adjudication process. Considering the seriousness of this dispute, discovery should not be vested upon the discretion of the panels, but should be an option that operates irrespective of the views of PDDRP panels.

- **Paragraph 20 “The Expert Panel Determination” states: “While the Expert Determination that a registry operator is liable under the standards of the Trademark PDDRP shall be considered, ICANN will have the authority to impose the remedies, if any, that ICANN deems appropriate given the circumstances of each matter”.**

Why is ICANN afforded such discretion, especially given the fact that ICANN is not a party of the PDDRP dispute? This raises significant issues concerning privity of contract that we have already raised with ICANN and we have not received any response.

We, generally, believe that the PDDRP is an issue that should be discussed further and to more detail. This is a dispute that can have considerable impact and potentially upset the whole registration culture. To a certain extent, it also raises issues of intermediary liability and directs the registration of domain names towards a more controlled system of content. Free speech and expression might be in jeopardy, unless due consideration is paid to the effect that such a dispute can have.