

Comments of the International Anti-Counterfeiting Coalition ("IACC") on the Proposed Final New gTLD Applicant Guidebook

Introduction

The IACC welcomes the opportunity to comment on the proposed final new gTLD Applicant Guidebook.

The IACC is the world's oldest and largest organization representing exclusively the interests of companies concerned with trademark counterfeiting and copyright piracy. Our members consist of over 200 corporations, trade associations, and professional firms, and represent total annual revenues of approximately \$750 billion. Our brand and copyright owner members represent a broad cross-section of industries, and include many of the world's best known companies in the apparel, automotive, consumer goods, entertainment, pharmaceutical, and other product sectors. The IACC is committed to working with government and industry partners in the United States and elsewhere, to strengthen IP protection by encouraging improvements in the law and the allocation of greater political priority and resources, as well as by raising awareness regarding the enormous—and growing—harm caused by IP violations.

The IACC is disappointed that, at this stage of the process and despite the obvious efforts of ICANN staff to address numerous issues raised in prior public comment periods, ICANN has elected to accelerate the decision making process by truncating the public comment period and timing further action so that there is no adequate time for ICANN staff and Board to digest, react and respond to those comments.

While the IACC welcomes some changes in this "proposed" final version of the Applicant Guidebook, it is concerned that the apparently hasty manner in which these changes are to be considered, combined with the relative lack of time for deliberation, will undermine the final results. These concerns are underscored by the belated publication of ICANN's economic study but one week before comments are due and the Board is expected to act. This study underscores (a) the questionable net benefits associated with the proposed gTLD rollout and (b) the fact that the questionable net benefits are more than offset by added external costs where rights protection mechanisms (RPMs) are inadequate, as has been repeatedly asserted by IACC and others experienced with such RPMs.

The IACC welcomes improvements designed to discourage malicious conduct, including added vetting to consider such past misconduct as cybersquatting and to introduce a Registry Code of Conduct. However, the IACC is troubled by the deletion of provisions for a searchable WHOIS (which it understands) will have no impact upon publicly accessible WHOIS, and by the failure to address substantial concerns raised with proposed rights protection mechanisms.

Registry Code of Conduct

The IACC welcomes the addition of the proposed Registry Code of Conduct. In addition to data protection, it appears to be aimed at some of the more egregious forms of registrar misconduct in the existing top-level domain name space which ICANN has proved unable to correct.

Unfortunately, while the IACC welcomes these provisions in principle, it is concerned that their purportedly universal application to all prospective new gTLDs may prove unduly limiting. In particular, the IACC questions whether the provisions of paragraph (1) make equal sense in the context of single user top level domain name registries.

WHOIS

Nowhere is ICANN's haste to move forward with new gTLDs more evident than in its deletion of the provision for a searchable WHOIS pending "further review by the data/consumer protection working group." In this supposedly "final" version of the Applicant Guidebook, ICANN cannot even say whether the requirement will be included or, if so, what form it will take.

Not only has the requirement for a searchable WHOIS been consistently included in recent versions of the draft Applicant Guidebooks, it also forms a core part of ICANN's commitments under the Affirmation of Commitments (and preceding governing documents). Up until now, this recognition in earlier draft Applicant Guidebooks has been applauded by the IACC in its comments.

Rights Protection Mechanisms

Once again, however, the proposed Applicant Guidebook fails to address most of the concerns raised by the intellectual property community regarding the inadequacy of the proposed RPMs. It appears these concerns are shared by GAC and ICANN's independent consultants.

The IACC reiterates its previous concerns regarding the proposed Uniform Rapid Suspension Systems ("URS") as part of ICANN's expansion of the gTLD space.

The IACC remains concerned that the proposed remedies under the URS only allow for the suspension of the domain for the balance of the registration period or for the ability to register the domain for an additional year with ownership to remain under the original Registrant. An option for the transfer of domains should be allowed in cases where determination is in favor of the Complainant. The concern is that domains suspended under the URS will be registered again when they become available resulting in a never-ending cycle of domain name watching and suspending.

The IACC is also concerned that Registrants have the ability to respond to default cases for a period of up to two years after a ruling in favor of the Complainant. The continual tracking and management of these default cases for a period of up to two years is unduly burdensome for corporate legal departments and directly conflicts with the URS's intended cost-effective and expedited approach. Consequently, the period should be shortened from two years to 90 days or the expiration of the domain, whichever is shorter. The IACC joins others in noting that the URS offers no meaningful increase in "rapidity" when compared with the UDRP, and, as such, fails to meet the stated objective to provide an alternative and efficient dispute resolution process.

Regarding the Post-Delegation Dispute Resolution Procedure (“PDDRP”), which would serve as a rights protection mechanism for trademark owners in an expanded gTLD space, the IACC is concerned with the requirement that Complainants prove systematic infringement or improper conduct by clear and convincing evidence, an unnecessarily heightened burden of proof. We urge ICANN to reconsider this requirement and adopt a preponderance of the evidence standard, as the trademark PDDRP can be likened to a civil action for contributory trademark infringement or unfair competition, under which a plaintiff may only prove wrongdoing by a preponderance of the evidence. We believe that requiring a Complainant to meet a preponderance of the evidence standard is more than sufficient to meet the goals of the trademark PDDRP and will not unfairly prejudice a registry operator.

In addition, as to the proposed Trademark Clearinghouse (“Clearinghouse”), the IACC proposes that the Clearinghouse should include common law trademarks, rather than limiting the Clearinghouse to court-validated or registered trademarks. Extending protection to common law marks that are substantively authenticated would streamline other rights protection mechanisms, such as the UDRP (and other domain name dispute resolution policies) and the Uniform Rapid Suspension Policy, which allow claims for relief based on common law rights. The IACC suggests that, at a minimum, registry operators should be permitted to include such marks in their rights protection mechanism, and, in order to do so, will need the data about those rights in the Clearinghouse.

Finally, the Clearinghouse should not be limited to “identical matches.” As proposed, the limitation to “identical matches” provides little practical protection to brand owners as most examples of malicious conduct or cybersquatting involve a domain name consisting of a trademark plus a generic or descriptive term. To provide adequate protection, the IACC asserts that the Clearinghouse should include trademarks paired with a descriptive term. At a minimum, a match should include plurals of and domain names containing the exact trademark. The inclusion of such provisions would help avoid expensive enforcement actions and defensive domain name registration.

The IACC appreciates this opportunity to comment on the proposed final version of the gTLD Applicant Guidebook and is available at any time for clarification or additional input.