



Litigation and Intellectual Property

Submission to ICANN new gTLDs – Proposed Final Applicant Guidebook (“AG”)

10 December 2010

Introduction

The British Broadcasting Corporation (BBC) is the United Kingdom's Public Service television and radio broadcaster established by Royal Charter and publicly funded by a licence fee. BBC Worldwide Limited is a wholly owned company within the BBC group, responsible for the commercial exploitation of the BBC's output in order to generate revenue for the BBC. For further information we refer to our submissions in relation to previous drafts of the Applicant Guidebook

General comments

The BBC and BBC Worldwide have taken the opportunity to comment on previous iterations of the Draft Applicant Guidebook and the rights protection mechanisms. On each occasion we have raised serious concerns about the release of new gTLDs, the lack of any effective rights protection mechanisms and the manner in which this process has been conducted. Those concerns remain and we are extremely disappointed that ICANN has not adequately addressed these and that at this stage in the process ICANN has seen fit to dispense with any semblance of a genuine consultation process. By imposing a time period of less than a month for public comment, publishing the economic study only 7 days before that comment period expires, and indicating that the Board intends to consider final approval on that same date, 10 December, ICANN clearly demonstrates that not only is it not prepared to allow a reasonable period of time to evaluate the proposed final AG but that it has no genuine intention of considering the responses which are submitted. This is in direct conflict with the Affirmation of Commitments.

Lack of Adequate Trade Mark Protection

We strongly disagree that ICANN now has “strong trademark protections and malicious conduct mitigation measures” in place.

The IRT Report originally proposed establishing an IP Clearinghouse (now the Trademark Clearinghouse (“TC”)) “in order to reduce the cost and administrative burden of protecting trademarks in the new gTLDs for all trademark owners – with a very few “trademark supernovas” which suffer extraordinarily high levels of infringement finding relief through the Globally Protected Marks List.”

The IP Clearinghouse was designed “to function as a central entity with which all new gTLD registries and possibly registrars interact in relation to the Globally Protected Marks List and the Pre-Launch IP Claims Service also recommended by the IRT”.

As we have previously stated, although we welcome the TC as part of a suite of measures intended to offer rights protection mechanisms, the current proposal has been so watered down from the original proposal (coupled with the deletion of other rights protection mechanisms such as the GPML) that in its current form it no longer offers any effective rights protection solution. The TC is merely a database, promoting the need for defensive registrations, and thus fails to address the original intentions behind the work on the overarching issues, ie to lessen the administrative and financial burden on trade mark owners. We urge ICANN to redress this as a precondition to the launch of new gTLDs.

Similarly, in the IRT Report the original purpose of the URS was to (i) reduce the need for defensive registrations, (ii) provide a cost-effective and timely mechanism for brand owners to protect their trademarks, and (iii) promote consumer protection on the Internet. In our submissions on the STI on 26 January 2010 we stated that the then

current URS proposal was inadequate to do this and should be revised in order to meet its original objectives. This remains our view. The URS is neither cost-effective nor rapid.

Substantive Evaluation

Under both the URS and the pre-launch Sunrise service in the TC, trade mark registrations will only be recognized if they are registered in a jurisdiction that conducts a "substantive evaluation" prior to registration, or where the mark has been Court validated or validated through substantive evaluation by the TC. Whilst we welcome the fact that the term "substantive evaluation" has finally been defined, the imposition of an evaluation of use effectively excludes registrations from almost all registries worldwide. Aside from the US, very few conduct an evaluation of use since under most laws prior use is not a pre-requisite for a valid registration.

TC Validation

ICANN's proposal for validation of marks by the TC is that the trademark owner should provide evidence of continuous use of the mark. Providing such proof of use is an extremely onerous additional burden on a trade mark owner and again is completely inconsistent with national legislation around the world; the UK for example and many other jurisdictions provide a grace period (of between 3 and 5 years) between registration of a mark and the obligation to use it.

Further, if evidence of use were submitted in order to "validate" the mark, we would have grave concerns should that evidence be made available to any third parties as this could potentially be highly confidential and commercially sensitive information. Whilst, in specific trade mark litigation, it might be necessary to provide proof of use, one would not routinely publicise exactly how, where, when and in respect of which products the mark has been used. If there is evidence of use to "validate" the mark then the TC should reflect this fact but the underlying evidence should not be published in any way or to any person.

Criteria for inclusion in the TC

The criterion that a mark holder must submit a declaration (affidavit or other sworn statement) is costly and burdensome. Why would a certified copy of a valid trade mark registration certificate, or the official online database record of the relevant trademarks registry, not suffice?

The fact that only "word marks" may be included in the TC, and also relied upon in the URS procedure, potentially excludes many trademark owners who have combined "word + device" marks. For example, some of the BBC's registrations are word marks in stylized text, which presumably would be excluded under the current proposals. This would be of significant concern to us and, we assume, to many other brand owners.

Mandatory Pre-Launch Services

The proposal is that registries should use the information in the TC either for a Sunrise or a pre-launch Trademark Claims Service. Neither offers adequate protection to a rightsholder. A Sunrise is not a rights protection mechanism as such, merely a means of facilitating defensive registrations by the trade mark owner. It does nothing to prevent abusive registrations by others. As such, we would prefer to see a pre-launch Trademark Claims Service being mandatory, however there would need to be a greater level of protection afforded by the same than is currently the case.

Under the Trademark Claims procedure warranty (iii) from the Registrant is a statement that to the best of the Registrant's knowledge their registration and use of the domain name will not infringe the rights of which they have been notified. What procedures does ICANN propose to put in place to confirm the truth of such a warranty, eg sworn statement, independent assessment? (especially given that trademark owners are required to provide such evidence of their rights under the current proposal)?

We have no objection to the registrant being able to access the TC to see details of the recorded trade mark rights. As referred to above, however, we strongly object to the provision of any underlying evidence of use, should there be an obligation on a trade mark owner to submit this.

Under ICANN's proposal, mark holders are not to be notified of applications for domain names until such application has been effected so that mark holders do not "inappropriately attempt to block a legitimate registrant from registering a name in which the registrant has legitimate rights". There is a fundamental lack of balance between the treatment of the domain registrant and the trademark owner. Based on a mere statement from the registrant, they are assumed to be legitimate. A trademark owner, who has previously secured a valid trade mark registration and submitted details of their legitimate registered rights, is expected to regularly update these details and is subject to penalties should that information not be current, is assumed to be liable to act inappropriately. This treats trademark owners with suspicion and is quite unfair. Why should trademark owners, who may have legitimate rights, not be afforded the opportunity to object prior to registration of a domain name? Without such a pre-registration objection process there is no rights protection mechanism being provided here. If such rights are not proven, clearly the registration of the domain name will not be prevented. Substantial time and money could be saved by both parties if there is a pre-grant objection process, rather than forcing the parties into post-grant URS.

This provision also potentially obliges the trademark owner to record all their marks from all territories in the TC, significantly increasing the costs and workload. Ideally, a trademark owner would want to be able to register just one national registration per mark in order to flag up the existence of registered rights to applicants. Since there will be no notification to the trademark owner of the application to registration and no opportunity to communicate with the registrant prior to registration to provide additional information, one national mark may not be sufficient.

Identical Matches Only

Only identical matches are to be reported by the TC to registries. This leaves wide scope for rogue registrants to apply unlawfully to register third party trade marks coupled with descriptive terms for which TM owners may have no registrations, and/or misspellings of trade marks. For example, a brand owner may register as a trade mark their house brand, but not register house brand + extensions, where the extensions are descriptive terms, for example "[Brand name] + America", because the additional elements, being entirely descriptive, are likely to be unprotectable as a trade mark without the distinctive house brand element and thus do not warrant the cost of registration. Yet under ICANN's proposal, the TC would be totally ineffective to support an application by such brand owner to secure for itself the registration of its house brand with such additional element as a domain name under a Sunrise, or to warn off a third party applicant for these terms under a pre-launch TM Claim. This is notwithstanding that the distinctive part of their mark is incorporated in the third party domain and an attempt to register such a third party domain would almost certainly be in bad faith. An application for such a term as a trade mark by a third party would almost certainly be bound to fail, either under substantive review or on opposition, because it would be considered to be confusingly similar to the brand owner's protected rights: why should ICANN be entitled to disregard the well-developed body of trade mark jurisprudence to come up with its own tests for relevance in relation to domain registrations?

Arbitrary Distinction between Marks applicable to Trademark Claims and Sunrise Services

The TC is intended for use with either Trademark Claims services or Sunrise services. The marks which may be relied upon for these two services would appear to be arbitrarily subject to different standards. For the Trademark Claims, marks may be recognized irrespective of whether the country of registration conducts a substantive review, whereas for Sunrise services the mark must be from a jurisdiction with a substantive evaluation, unless the mark has been otherwise validated. The standard should be the same for both and should be that currently proposed for the Trademark Claims.

Having different standards minimizes still further any benefit of registering in the TC since it leads to the invidious result that owners of marks which have not had a substantive evaluation may be obliged to go through an onerous TC validation procedure, without knowing which Registries will be adopting a Trademarks Claims service, where such a validation procedure will have been unnecessary. This is not only unfair but also potentially chaotic.

Costs of the TC

The proposal is that the parties utilizing the services of the TC should pay, without any clarification as to who those parties would be considered to be. Insofar as the TC will provide benefits to registries and registrars, and given that registries and registrars (and not most TM owners) will be the main beneficiaries of the new gTLDs overall, we consider that they should also contribute to the cost of the TC.

It is unfair in principle that brand owners who have already borne the costs of obtaining national trade mark registrations should also bear (any or all of) the cost of providing data to the TC.

We also consider that ICANN should bear some of this cost, even if only initially where there is an up-front investment which would be recovered back through use. ICANN stands to generate substantial revenues through this gTLD process and should bear some of the responsibility for ensuring it does not thereby facilitate the widespread

Notice and Locking of Domain in the URS

The fact that following a complaint a domain gets 'locked' but still resolves (presumably to the offending website), following which there is a period of at least 14 days (with a further extension possible including the Default period) when the offending website remains visible, could cause substantial ongoing damage to a trade mark owner whose rights are being infringed, or to the public who may be so deceived as to the origin of the site. We consider there should be some provision for an interim remedy at least in cases of significant potential harm (akin to an interim injunction in court actions).

URS Response

What is the reasoning behind allowing the Respondent to be in default for up to 30 days following a Determination before they would be charged any fee with their Response? The Respondent should be obliged to file a fee in all cases where it files a response, to provide some balance between the parties. However, even if this is not the case there should be a fee where a response is filed late, or there is no incentive to deal with this in a timely manner – quite the reverse in fact if the domain also continues to resolve. Since it is proposed that all default cases proceed to an Examination (ie they are not automatically decided in favour of the Complainant), filing a Response at any time after the Determination inevitably means that the URS Provider has to do additional work as a direct result of the failure of the Registrant to act in a timely manner. In these circumstances, at the very least, we consider that the Registrant should pay a fee. Prior to the determination, the Registrant will have had a proposed 14 days to serve a response and the ability to seek a 7 day extension.

URS Default

We strongly object to the proposal that a registrant who fails to file a response shall have the right to a de novo review at any time for up to two years after the determination. We also strongly object to the proposal that where the Registrant files such a request for a de novo review, the domain name then resolves back to the original IP address. Under this proposal a registrant could do nothing for up to two years, during which time the domain name resolves to an informational website, but on filing their late appeal the original offending website is reinstated. There is no reasonable justification for this in a case where the Registrant has delayed in this manner. The status quo should be maintained pending the outcome of any review. The domain name should resolve back to the original IP address only where the Response has been filed within a limited grace period, ie a few months at most.

URS Remedy

We maintain our view that, at the very least, the successful Complainant should be given first refusal to register the domain name when it next comes up for renewal. Without this the successful Complainant faces the risk of the newly lapsed domain being snapped up by a new cybersquatter, with the attendant perpetual cycle of domain name watching and URS actions.

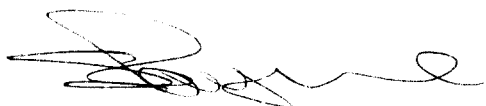
Whois

We are extremely concerned that the proposed Registry Agreement now appears to envisage that there will not be a publicly available, searchable Whois. It is essential that new gTLDs will ensure ease and open accessibility of Whois data to the public, and to now suggest otherwise is contrary to all previous assurances.

Vertical integration

Previous versions of the DAG proposed a prohibition on vertical integration between registrars and registries. Despite the GNSO being unable to reach a consensus on this issue, ICANN has now reversed this position to allow unrestricted cross-ownership, subject to a right to refer an application to a "competition authority" if it is determined that the co-ownership may raise competition issues. There appears to be a lack of proper consideration on this issue, and a lack of any formal structure for determining when to make a referral. Given existing concerns about lack of adequate resourcing of ICANN's current compliance programme, how will this be policed?

In summary, we remain deeply concerned at the threat to brand integrity and attendant financial implications for brand owners, and the significant risk of consumer detriment. We urge ICANN not to proceed with a full scale launch until these issues have been properly addressed



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