

## **Comments of the International Anti-Counterfeiting Coalition ("IACC") on the Proposed Discussion Draft New gTLD Applicant Guidebook ("DDAG")**

### Introduction

The IACC welcomes the opportunity to comment on the DDAG.

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.

While the IACC is encouraged by some of the changes introduced into the DDAG after publication of the proposed Final Applicant Guide Book last November in response to comments from the ICANN community and the Government Advisory Committee ("GAC"), the IACC believes that there remain too many unanswered questions concerning the proposed introduction of new gTLDs. (Rather than restate these concerns here, the IACC refers to its comments published in response to publication of previous versions of the Applicant Guidebook and to ICANN's own economic analysis which underscores the doubtful benefits of the proposed unrestricted rollout of new gTLDs.)

As a preliminary matter, the IACC wishes to express its frustration that ICANN and staff fail to address numerous constructive suggestions made by the ICANN community regarding the modification of specific Rights Protection Measures ("RPMs") stating, simply, that the proposal was not encompassed within the tapestry of solutions proposed by the Implementation Recommendation Team ("IRT"). While this was a team of trademark experts, its purpose was to formulate compromise solutions which were "workable" and "acceptable to other interests". See, e.g. New gTLDs Proposed Final Applicant Guidebook Public Comment Summary ("Final AG Comment Summary"), February 21, 2011, p. 47 (<http://www.icann.org/en/topics/new-gtlds/summary-analysis-proposed-final-guidebook-21feb11-en.pdf>). Moreover, within the context of a policy development process which started years ago, the IRT was required to complete its investigation, analysis and report in a matter of weeks.

Accordingly, the responses of staff to comments made – evidently adopted by the Board in its refusal to consider further modifications to the RPMs except as required within the scope of continuing discussions with GAC – that proposals are beyond those proposed by the IRT is non-responsive to the underlying merits of the proposed changes. See, for example. Final AG Comment Summary, pp. 53, 60, 62, 63, 64, 66, 73, 74, 75-76, 80, 81, 86.

Moreover, the refusal to consider these numerous, thought-out and substantive suggestions based solely on the fact they were not included in the IRT report is still more unreasonable insofar as their inclusion in the IRT report has been no impediment to diluting those same recommendations. See, generally, Final AG Comment Summary, pp. 47-48.

Regardless of the answers to those questions, much work remains to be done to implement effective Rights Protection Mechanisms (“RPMs”) consistent with those recommended by the Implementation Review Team and as discussed with the GAC.

### Rights Protection Mechanisms

Once again, however, the proposed Applicant Guidebook fails to address many of the concerns raised by the intellectual property community regarding the inadequacy of the proposed RPMs. These concerns were repeated by ICANN’s own independent economic consultants and have absorbed a significant amount of the time allocated to ICANN Board/GAC consultation. The IACC believes that, had ICANN adopted proposals advocated by its own team of trademark experts (the IRT) and by experienced members of the community including its own Intellectual Property Constituency, its dialog with GAC could have focused more narrowly on other matters of public interest.

#### a. The Trademark Clearinghouse.

While small steps have been taken to improve the proposed Trademark Clearinghouse (“Clearinghouse”), those steps are not sufficient to make the Clearinghouse an effective RPM. 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 (“URS”), 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.

More substantively, 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.

#### b. The Uniform Rapid Suspension Policy.

The IACC reiterates previous concerns regarding the proposed 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. We still believe that 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.

In addition, the IACC is also concerned that Registrants have the ability to respond to default cases for a period of up to 6 months after a ruling in favor of the Complainant. While this timeframe was reduced from 2 years down to 6 months in the latest version of the Guidebook, we still believe that the tracking and management of these default cases will be unduly burdensome for corporate legal departments and directly conflicts with the URS's intended cost-effective and expedited approach. Consequently, we still believe that the period should be shortened to 90 days or the expiration of the domain, whichever is shorter.

The IACC supports the GAC position on additional proposed changes to the URS, specifically including a "loser pay" provision and modification of the burden of proof to "preponderance of the evidence".

c. The Post-Delegation Dispute Resolution Policy ("PDDRP").

While the IACC supports the majority of the Trademark PDDRP provisions, we share the Governmental Advisory Committee's concerns regarding the requirement that Complainants prove systematic infringement or improper conduct by clear and convincing evidence. We once again urge ICANN to reconsider this requirement and lower the standard to a preponderance of the evidence. We would remind ICANN that the Trademark PDDRP can be likened to a civil action for contributory trademark infringement or unfair competition, under which a Plaintiff need only prove wrongdoing by a preponderance of the evidence. We believe that requiring a Complainant to meet even the lower standard of a preponderance of the evidence is sufficient to meet the goals of the Trademark PDDRP and will not unfairly prejudice a registry operator.

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.