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By E-Mail to [comments-rpm-prelim-issue-09oct15@icann.org](mailto:comments-rpm-prelim-issue-09oct15@icann.org)

Internet Corporation for Assigned Names and Numbers

12025 Waterfront Drive, Suite 300

Los Angeles, CA 90094-2536

Re: Preliminary Issue Report on a GNSO Policy Development Process to Review All Rights Protection Mechanisms in All gTLDs

Dear ICANN:

I am writing on behalf of the members of the Internet Commerce Association (ICA). ICA is a not-for-profit trade association representing the domain name industry, including domain registrants, domain marketplaces, and direct search providers. Its membership is composed of domain name registrants who invest in domain names (DNs) and develop the associated websites, as well as the companies that serve them. Professional domain name registrants are a major source of the fees that support registrars, registries, and ICANN itself. ICA members own and operate approximately ten percent of all existing Internet domains on behalf of their own domain portfolios as well as those of thousands of customers.

This letter addresses the “Preliminary Issue Report on a GNSO Policy Development Process to Review All Rights Protection Mechanisms in All gTLDs” that was [published for public comment](#) on October 9, 2015. That document, drafted by ICANN staff, is intended to implement the GNSO Council’s Resolution of December 15, 2011

stipulating that 18 months after the launch of the New gTLD Program, ICANN staff should prepare and publish an Issue Report on the state of all rights protection mechanisms implemented for both existing and new gTLDs, including but not limited to the Uniform Domain Name Dispute Resolution Policy (UDRP) and the Uniform Rapid Suspension System (URS). This Preliminary Issue Report also builds upon the comments received in response to the “Draft Report: Rights Protection Mechanisms Review” published for comment on February 2, 2015; ICA submitted its [comments](#) on that prior document on April 30, 2015.

## **Executive Summary**

- **ICA prefers a separate and sequential approach for the reviews and subsequent reports and recommendations, with the RPM review preceding and thereby informing the UDRP review.**
- **ICA reiterates all of the points made and views expressed in our prior comment RPM letter of April 30, 2015.**
- **ICA believes that the URS has been largely effective in achieving its intended goals. We would strongly oppose any alterations that could make it a substitute for, rather than a narrow supplement to, the UDRP. In addition, the initiation of a PDP to determine whether the URS and other new gTLD RPMs should become Consensus Policies for all gTLDs, and the full consideration of the multiple transitional issues accompanying any such decision, illustrates again that the decision of GDD staff to seek imposition of the URS in contract renewal negotiations with legacy gTLDs was a direct and impermissible intrusion into the policy realm reserved to GNSO Council by ICANN’s Bylaws. ICANN’s Board should therefore instruct GDD staff to cease and desist from any such attempts during the time that these PDPs are open and active, and should refuse to approve any legacy gTLD renewal contract that contains any provision of new gTLD RPMs.**
- **The language of Trademark Claims notices may deter legitimate noninfringing domain registrations at new gTLDs. This situation can be partly but not completely addressed by providing more comprehensive information in the notice to the prospective registrant, and also clarifying under what circumstances the post-notice registration of a domain will be considered to constitute “bad faith” for UDRP and URS purposes.**
- **Labels that generate a Trademark Claims notice should not be expanded beyond the present system of exact matches of the trademark, plus domain**

labels recovered in UDRP or court actions under the ‘Trademark-plus-fifty’ implementation measure.

- The right of first refusal for a premium domain name during or after the sunrise period should be conditioned on whether the trademark is unique or a dictionary word, and if a dictionary word whether the gTLD label is related to the goods and services for which it is registered.
- Our responses to the report’s UDRP questions emphasize the need for a mechanism, perhaps via an optional internal appeal, to establish greater predictability and consistency in decisions dealing with similar facts; better protection for free speech, especially legitimate noncommercial criticism; more equitable time periods for respondents to choose counsel and draft answers; a fairer means of allocating cases among UDRP providers and their panelists; and establishment of a uniform laches policy barring complaints in defined circumstances.
- Our additional comments on the UDRP address the need for clear guidelines and meaningful penalties to determine and deter attempted Reverse Domain Name Hijacking; greater transparency requirements for UDRP providers; and establishment of an ICANN-maintained centralized database of UDRP decisions and other relevant information.
- Finally, we have strong disagreement with the view expressed by a minority of commenters that the UDRP review anticipated by the GNSO Council’s Resolution of December 15, 2011 should not proceed at all, and that any such undertaking would be unduly arduous and dangerous. The UDRP is the only ICANN Consensus Policy that has never been reviewed. Like any human undertaking, it is not perfect and was drafted by individuals who could not have known how it would be implemented in practice. Any UDRP review should of course be fully informed by the actual record of UDRP practice and experience of participants, and should proceed carefully. But we are confident that a good faith UDRP review that considers the legitimate rights and interests of both registrants and complainants, as well as related public policy issues, can produce a more balanced and consistent system that preserves the fundamental virtues of the UDRP while yielding modifications that benefit all affected parties.

### **Preferred Option for Proceeding: Separate and Sequential**

The Report lays out three possible options for conducting the review of the RPMs and UDRP:

1. Review all RPMs and the UDRP simultaneously

2. Modify the first option by mandating that the Working Group Charter require the WG to review its timeline and overall work plan when output from the Competition, Consumer Trust, and Consumer Choice (CCT) review becomes available.
3. Conduct the review in two phases, with a review of the new gTLD RPMs preceding a review of the UDRP.

The ICA strongly prefers the third option. We believe that the RPM review and the UDRP review each constitutes a highly complex array of interrelated questions and judgments, and that trying to combine the two into a single mega-review will tax any Working Group (WG) inordinately.

In particular, the UDRP review will constitute the first comprehensive inquiry into ICANN's oldest Consensus Policy. It may address structural issues; such as whether ICANN should enter into uniform contractual agreements with all UDRP providers, whether there should be clear boundaries to prevent individual dispute providers' Supplementary Rules from influencing decisional outcomes, and whether an internal appeals procedure should provide an avenue for a 'UDRP Supreme Court' to address and reconcile disparate decisions by different providers on nearly identical fact patterns. It may also address substantive issues of UDRP policy, such as proposals for some type of 'loser pays' regime, and whether a domain renewal constitutes a 'registration' for the purpose of determining bad faith registration and use.

Both domain registrants and trademark owner complainants deserve, after nearly two decades of unexamined use, a UDRP review and reform process that is accorded adequate time for comprehensive review and development of subsequent recommendations. This review of necessity must be preceded by the RPM review, as it was the intent of the GNSO Council in 2011 that the UDRP review be informed by that of the RPMs and by any changes made to them. Further, as staff notes at page 8 of the Report, one result of "this approach is the fact that community consideration of the more general overarching issue concerning the comprehensiveness of all the RPMs as a set of aggregate protections for trademark holders in all gTLDs, as well as the issue of whether any of the new RPMs should be considered Consensus Policies like the UDRP, will necessarily be postponed to the second phase of work". Unlike staff, we do not view that consideration as a drawback but as a far more responsible approach than considering integration of any of the new gTLD RPMs in legacy gTLD without knowing whether or in what manner they may be altered.

We agree with staff that "One benefit of this two-pronged approach is better alignment of the timing of the work on reviewing the new RPMs with the operational reviews of the New gTLD Program (including the CCT Review) and, conceivably, a new PDP on New

gTLD Subsequent Procedures”. We fully expect that there will be substantial interest in completing the RPM review prior to the opening of any second round of new gTLDs, and that consideration provides another reason for structural separation. If the RPM and UDRP reviews were addressed together, substantial pressure could arise to truncate the UDRP portion lest it delay the timing and adoption of final RPM recommendations. As a result this first-ever UDRP review could get short shrift and inadequate attention.

In regard to the related matter of the draft Working Group (WG) Charter appearing at pp.34-7 of the Report, we believe that there should be two separate final Charters, one for the RPM review WG and the second for the UDRP review WG, and that both Charters should be based upon elements of the comments on the current Report. However, if our advice is followed the UDRP review will not commence until the RPM Review is completed, and the Charter for the UDRP review should not be made final until its commencement. The final text of both Charters will of course be subject to standard GNSO Council review and approval.

In regard to the potential UDRP review WG Charter, we have taken note of the following language at pp.7-8 of the Report:

The second, subsequent phase of work would be a review of the UDRP, based on the concerns specific to its scope that were raised in the 2011 GNSO Issue Report and any additional relevant topics derived from the first phase of work concerning the RPMs developed for the New gTLD Program.

We do not agree with the opinion that the scope of a UDRP review should be limited to subjects raised in comments filed in 2011, as well as topics derived from the RPM review. A sequential approach with the RPM review preceding the UDRP would mean that UDRP review would not commence until 2017 at the earliest. And the RPM review would necessarily be focused on those RPMs, and not on UDRP issues that have arisen or assumed greater significance since 2011.

Therefore, we believe that the scope of a PDP encompassing review and potential reform of the UDRP should be delineated based upon the WG Charter approved by the GNSO Council at the time of its consideration, and that such Charter should be informed by the input of all who comment on a draft Charter at the time of its consideration and should not be restricted by past reviews and reports in its specification of issues within its scope of review.

### **Prior Views on RPMs**

As stated in our prior April 30<sup>th</sup> submission regarding new gTLD RPMs:

- ICA would not support any expansion of the TMCH matching rules to include plurals, mark+keyword, and common typos.
- ICA supports the inclusion of more comprehensive information regarding generic words and infringement in the Trademark Claims notice, as well as clarifying under what circumstances the post-notice registration of a domain will be considered to constitute “bad faith” for UDRP and URS purposes.
- We would not support any extension of the mandatory Claims generation period beyond the initial ninety days until our concerns about the language of the Claims notice are effectively addressed.
- ICA would oppose any easing of the TMCH verification requirements for court decisions or UDRP cases.

ICA would vigorously oppose any attempt to amend the URS to provide a domain transfer option as such a rapid and circumscribed process could be readily abused to further the scourge of reverse domain name hijacking. However, we are sympathetic to the concerns of trademark owners, and have previously suggested an alternative approach that would address their concerns to a significant extent. Various approaches that balance the rights of trademark holders and domain registrants can be considered in the course of the PDP. The extensive rationales for each of these positions are contained in that prior letter.

#### Additional Views on Select RPM Questions

##### **URS**

We have no objection to any of the proposed questions relating to the URS as being a legitimate matter of inquiry. While we intend to participate in the review WG when it commences and to further weigh in on each of these matters, the following questions deserve further comment now:

*Is the URS’ ‘clear and convincing’ standard of proof appropriate?*

The URS was developed as a narrow supplement to, and not a substitute for, the UDRP for “know it when you see it”, “black and white” cases of infringement that require little if any inquiry beyond cursory review of the domain name and website content. The URS has proven its worth as a more rapid and less expensive means of addressing such clear-cut infringement. Any lowering of the current evidentiary standard would violate that intent and permit the URS to be used for “shades of grey” cases for which the UDRP is the more suitable forum.

Therefore, we believe the current standard of proof is appropriate and we would oppose any suggestion that it be lowered. In addition, we suggest that the RPM review should carefully consider whether additional measures should be taken to address URS decisions in which the respondent lost notwithstanding no actual use of the domain following its registration – it is difficult to see how “bad faith registration and use” was found in such cases under any evidentiary standard.

*Should the URS allow for additional remedies such as a perpetual block or other remedy, e.g. transfer or a “right of first refusal” to register the domain name in question?*

As stated in our RPM comment letter of April 30<sup>th</sup>, this remains our position in regard to this question:

ICA would vigorously oppose any attempt to amend the URS to provide a domain transfer option as such a rapid and circumscribed process could be readily abused to further the scourge of reverse domain name hijacking.

However, we are sympathetic to the concerns of trademark owners, and would suggest the alternative of permanently barring the re-registration of a URS losing domain where the domain name/trademark is not a generic term and its registration by anyone other than the rights holder would almost surely constitute infringement. This concept could also be explored in regard to generic terms registered at gTLDs whose names correspond to the goods and services for which the word is trademarked by the prevailing complainant. Such an approach would not invite URS abuse for domain hijacking purposes but would afford permanent protection to infringed rights holders – and without the unending costs associated with holding a domain defensively in a large and growing portfolio.

We believe that previously stated position is worthy of further exploration in the context of an RPM PDP, but are open to other approaches – provided that they do not include a domain transfer option for a successful URS complainant. For those concerned about the concept of a permanent registration ban, there could be exploration of putting in place a procedure by which an affected third party could appeal such a ban in the future by providing an explanation of their intended non-infringing and legitimate use of the domain. Such procedure, even if rarely used, would act as a safety valve; the decision on it could also be made by an arbitration panelist.

## *Extension of URS to legacy gTLDs by “Voluntary” Agreement in the Context of Contract Renewal*

While the Report does not propose a direct question on this matter, we take note of staff’s observation at p. 27:

*It may therefore be helpful as a matter of policy consistency for a PDP Working Group to clarify whether or not RPMs such as the URS – being a dispute resolution process modeled on the UDRP – should be a Consensus Policy. In addition, in exploring this question, the Working Group may need to examine the potential consequences of the URS having the status of a Consensus Policy, especially in relation to the so-called “legacy” gTLDs (i.e. those predating the New gTLD Program). **The Working Group may wish also to take note of the fact that several registry operators of these “legacy” gTLDs (e.g. .cat, .pro, .travel) recently agreed to adopt the URS in renewing their registry agreements with ICANN.** Thus, where the URS is a standard contractual obligation for all registry operators of the New gTLD registries, this is not the case universally for the “legacy” gTLDs. (Emphasis added)*

ICA did take note of the so-called “voluntary” adoption of the URS by the three registry operators cited above, each of which was seeking fundamental revisions to their renewal contracts that they believed were essential to their future well-being, and that their closed-door negotiations took place with Global Domain Division (GDD) staff who took an initial position that the URS should become a part of all legacy gTLD renewal contracts for the sake of consistency. ICA, along with multiple other ICANN participants, filed comment letters on all three contracts protesting that this staff decision amounted to the impermissible creation of policy through contractual negotiations and outside the proper context of a PDP. Nonetheless, on September 28 the ICANN Board approved all three contracts.

Subsequently, on October 13<sup>th</sup>, ICA filed a [Reconsideration Request](#) asking that the Board Governance Committee (BGC) to review and reverse that Board decision. In that request we made a specific reference to the Report on which we are currently commenting:

We further note that ICANN staff has just [issued](#), on October 9<sup>th</sup>, the “Preliminary Issue Report on a GNSO Policy Development Process to Review All Rights Protection Mechanisms in All gTLDs”. This report will be considered by the GNSO Council and the ICANN community at the upcoming ICANN 54 meeting in Dublin, Ireland and, following a public comment period scheduled to end on November 30<sup>th</sup>, will result in a Final Staff report being issued on or about December 10<sup>th</sup>.

**That Final Report will probably provide the foundation for the initiation of one or more Policy Development Processes (PDP) addressing whether the new gTLD RPMs should be adjusted and, more relevant to this reconsideration request, whether they should be adopted as Consensus Policy and applied to legacy gTLDs and/or integrated with the UDRP. Indeed, the Preliminary Issue Report notes (at pp.22-23):**

**These [potential] issues would be specific topics to be addressed as part of their Charter by the PDP Working Group, in addition to the more general, overarching issues such as:**

- Whether any of the new RPMs (such as the URS) should, like the UDRP, be Consensus Policies applicable to all gTLDs, and the transitional issues that would have to be dealt with as a consequence.**

**This passage of the Preliminary Issue Report constitutes further and new material evidence, provided directly by ICANN policy staff, that the question of whether the URS should become a Consensus Policy applicable to all gTLDs is an overarching policy matter, and that it is wholly inappropriate for GDD staff to seek imposition of it on legacy gTLDs as the starting point for registry renewal agreement negotiations because doing so creates de facto consensus policy via contract. It also identifies the presence of “transitional issues” that have in no way been considered in pressing for the inclusion of the URS in the three renewal agreements that are the focus of this reconsideration request.**

Unless and until the URS is adopted as a Consensus Policy for all gTLDs, ICANN staff should not be initiating the registry agreement renewal process with any legacy gTLD by suggesting that new gTLD RPMs be the starting point for contract negotiation as, given the inequality in bargaining power, this can have the effect of making the URS a de facto Consensus Policy notwithstanding the fact that the regular order PDP outlined in and required by the Bylaws has not been followed. Such GDD staff actions make a mockery of and undermine the integrity of the GNSO’s upcoming PDP review of RPMs.

We note that the BGC has failed to respond to our Reconsideration Request, as well as to a similar request filed jointly by ICANN’s Business Constituency and Non-Commercial Stakeholders Group, within the 30-day period in which it strives to do so.

**While we await the BGC’s response, and regardless of what that response is, we reiterate our position that GDD staff determinations and actions to impose the URS or any other new gTLD RPM on legacy gTLDs through contract renewal**

negotiations “make a mockery of and undermine the integrity of the GNSO’s upcoming PDP review of RPMs”. Therefore, we believe that the Charter(s) of any reviews stemming from the Report under consideration take an explicit stand against any such further actions by GDD staff, as it is clear that creating policy facts in this manner is inherently prejudicial to a WG’s impartial consideration of whether a particular RPM should become a Consensus Policy.

## Trademark Claims

We have no objection to any of the proposed questions relating to Trademark Claims as being a legitimate matter of inquiry.

In regard to the following two questions –

*Should the Trademark Claims period be extended beyond ninety (90) days?*

*Does a Trademark Claims period create a potential “chilling effect” on genuine registrations, and, if so, how should this be addressed?*

--our April 30<sup>th</sup> letter contained the following views relevant to these questions:

No doubt there have been attempts by intentional cybersquatters to register trademarked names that have been effectively deterred when they received a Claims Notice and realized that the trademark owner would be notified of the domain registration immediately and might well take some form of legal response.

But there also may have been lots of potential registrants for non-infringing uses of short and meaningful generic dictionary words as domain labels who were spooked enough when they received the Claims Notice to abandon the registration. While the Claims Notice does provide a prospective registrant with information regarding the Jurisdiction where the trademark is registered and the class of Goods and Services that the trademark covers, most prospective registrants of non-infringing domains are not well versed in trademark law, don’t want to have to spend money to consult a lawyer to see if their registration will be infringing or not, and don’t want to risk being hit with a cease-and-desist letter, UDRP or URS filing, or a trademark infringement lawsuit. The same could be true even for potential registrants well versed in trademark law who simply don’t wish to expose themselves to a potential legal action, regardless of its merits – especially since continuing on to registration after receipt of the Notice might be alleged to constitute proof of bad faith registration.

The legalistic language of the Trademark Notice would certainly cause major hesitation for most prospective general public applicants... Revising the language of the Claims Notice to make it more understandable by a registrant lacking deep understanding of trademark law might also be considered, but that can hardly be relied upon to protect the registrant from post-registration legal action by the trademark owner.

... Summing up, the TMCH has almost surely been quite effective in deterring infringing domain registrations at new gTLDs. But it appears to also have been a substantial damper on total new gTLD domain registrations. The unanswered question is how big of a headwind it has been.

**We believe that the generation of Claims notices will continue to deter legitimate noninfringing domain registrations at new gTLDs. This situation can be partly but not completely addressed by providing more comprehensive information in the notice, and also clarifying under what circumstances the post-notice registration of a domain will be considered to constitute “bad faith” for UDRP and URS purposes. In conjunction with this observation, we would not support any extension of the mandatory Claims generation period beyond the initial ninety days until these concerns are effectively addressed.**

## **Sunrise Period**

We have no objection to any of the proposed questions relating to the Sunrise Period as being a legitimate matter of inquiry.

In regard to this question—

*Should holders of Trademark Clearing House-verified trademarks be given first refusal once a reserved name is released?*

-- We believe the answer should be yes in two circumstances when the reserved name is an exact match of the trademark:

1. Where the trademark is a fanciful term uniquely identified with the trademark holder (e.g., Microsoft, Verizon) the trademark owner should have the right of first refusal in any new gTLD
2. Where the trademark is a generic dictionary word (e.g., apple), the trademark holder should have the right of first refusal in those gTLDs (e.g., .tech) that the rights holder demonstrate bear a direct relationship to the goods and services with which the trademark is associated in its trademark registration.

When the trademark is a generic dictionary word, and the gTLD label is a general purpose non-vertical term (.global) or a “vertical” term that bears no relationship to the goods and services associated with the trademark’s registration, the reserved name should be available to all interested parties on the same terms. There can be no advance assumption that a dictionary word associated with one or more identical trademarks for a variety of goods and services will be used by its registrant in an infringing manner. Trademark rights are limited in variety of ways, including to the goods and services for which they are registered, and permitting holders of dictionary word trademarks to have the right of first refusal to register those words in all gTLDs would create a scope of rights that is not present in trademark law, and would thereby be at odds with ICANN’s remit to protect existing rights but refrain from creating new rights.

### **Trademark Clearing House (TMCH)**

We have no objection to any of the proposed questions relating to the TMCH as being a legitimate matter of inquiry.

In regard to this question—

*Should the TMCH matching rules be expanded, e.g. to include plurals, ‘marks contained’ or ‘mark+keyword’, and/or common typos of a mark?*

--our answer is a firm “No”.

The TMCH is intended to be a repository of high quality and verified, registered trademarks. Allowing the addition of plurals, marks contained, marks+keywords, and common typos would convert the TMCH into an unreliable repository of non-registered terms constituting verbal junk with no valid legal connotations. It would impermissibly expand the scope of trademark rights far beyond the registered term on the unproven assumption that all such usage as a domain name would likely constitute infringement. Finally, it would multiply many-fold the generation of Trademark Claims notices to potential registrants with no infringing intent, dissuading registration completion in many instances, and thereby have a negative overall impact on the growth prospects of all new gTLDs.

We must not forget that the TMCH was created to reflect the trademarks actually registered by the trademark holder. National trademark law and applicable treaty limit the trademark holder’s rights. The decision to limit the TMCH to registered marks indicated a clear reliance upon the registration process of the various national trademark registries. This reliance was founded upon the understanding that the national registries undertake appropriate public notification and investigation to ensure

that the trademark, as applied for, is legally sufficient, does not conflict with trademark rights of others, and is sufficient to serve as a trademark (i.e. an indicator of source). By expanding the scope of TMCH registration beyond the actual terms that the trademark holder has registered, the TMCH would usurp the role of the various national registries and grant effective trademark rights to words/phrases without the requisite public notice and legal review. We believe that ICANN has no authority to expand the scope of legal rights in this manner.

Nor do plurals and typographical errors lend themselves to an automated approach to determine whether a phrase is identical or confusingly similar. Plurals are not treated consistently in English, much less the multitude of other languages at issue. For example, it would be entirely inappropriate to grant similar rights to “woman” and “women” or to “la mason” vs. “les masons”.

Similarly, no clear rule exists for identifying typographical errors, particularly given the ever-expanding universe of language and brand names. Thus, for example “iPad” is not the equivalent of “pad” and “ibank” is not the equivalent of “bank”.

In the end, if a trademark holder desires TMCH registration for a plural and/or common typo of its already registered trademark, the trademark holder should bear the responsibility of ensuring that such are duly registered with national authorities. Only then would they meet the minimum standard for marks in the TMCH.

### **Additional Questions**

We have no objection to any of the proposed Additional Questions as being a legitimate matter of inquiry.

### **UDRP**

We have no objection to any of the proposed questions relating to the UDRP as being a legitimate matter of inquiry.

Additionally, we have the following comments on those questions:

*Are the UDRP's current appeal mechanisms sufficient?*

The UDRP is intended to be a voluntary alternative to litigation in a national court under applicable trademark law, and the ability of either party to file in a court of jurisdiction

either during the pendency or after a decision is rendered in a UDRP proceeding must be maintained. Indeed, ICANN has no legal authority to prevent any domain registrant or trademark holder from exercising full access to their legal rights.

The ICA notes that the laws of many jurisdictions effectively foreclose a post-UDRP legal claim. For this reason, limiting a post-UDRP legal claim to a “Mutual Jurisdiction” offers insufficient protection. The automatic stay should become effective upon the filing of any legal action in (a) the jurisdiction of the registrar, (b) the jurisdiction of the Complainant’s formation, (c) the jurisdiction of the registrant; or (d) the jurisdiction in which the Complainant has registered any relevant trademark.

However, ICA believes that an internal appeals mechanism should also be explored, with a *de novo* appeal being a matter of right held by any party to the UDRP. The ability to have the appeal heard by any accredited provider selected by the appellant would greatly help to ensure transparency and consistency of decisions.

The ICA also suggests consideration of a “UDRP Supreme Court”, to reconcile divergent opinions addressing almost identical facts. This is particularly important given the likelihood that ICANN will accredit additional UDRP providers in new regions over the coming decade. Absent such a process to reconcile divergent decisions, the UDRP will become increasingly less predictable and consistent for all parties, and there is a distinct and disturbing possibility that UDRP practice will become a race to the bottom as different providers seek to entice complainants by encouraging panelists to engage in “creative” decision-making that departs from long-established practice.

*Should there be a limit to the time period allowed (e.g. similar to a statute of limitation) for bringing UDRP complaints?*

Yes. There should be an established time period after which a domain held by the same registrant, and for which there has been no material change in usage indicative of infringing intent, should be shielded from a UDRP. At a certain point in time a registrant should be protected from attempted domain hijacking and other UDRP abuses.

*Are free speech and the rights of non-commercial registrants adequately protected in the existing policy?*

No. WIPO’s own Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition (“WIPO Overview 2.0”) demonstrates, in its discussion of [Question 2.4](#), “Can a criticism site generate rights and legitimate interests?”, that UDRP panels have diverged substantially on their treatment of websites engaged in genuine, noncommercial criticism. This divergent treatment illustrates the need for an internal mechanism that reconciles different approaches to nearly identical facts and that

prevents trademark law from being employed to suppress legitimate criticism of the trademark holder.

*Should there be a formal (mandatory) mechanism of early mediation?*

We are open to the exploration of mandatory mediation in the UDRP process; Nominet has successfully implemented such a system for the .UK ccTLD. Additionally, we believe it would be worthwhile to explore whether a UDRP Complainant should be required to precede its filing with a good faith attempt to contact the registrant and describe any alleged infringement. This requirement could both facilitate interaction that could reduce the number of UDRP filings, as well as provide the registrant with some minimum notice period of a potential filing so that he can take appropriate action in response, including the identification of competent counsel.

*Are the current time limits of the UDRP (for filing, response, determinations and appeals) adequate?*

No. the existing time limits for respondents are unrealistic and more time should be allowed for a response. The exhibits submitted by many complainants show that they have been carefully prepared over a period of months. Given that complainants have unlimited time to prepare a UDRP filing and select the date on which it is submitted, allowing the respondent registrant a mere 20 days for a response, especially if the Complaint is filed just before a vacation or holiday period when email access may be limited, is simply too short. Either the respondent or his attorney might be unavailable for much of the 20-day response period.

We are aware that the majority of registrants in UDRP cases do not file a response and are subject to a default judgment. However, respondents who indicate in writing within the initial 20-day period that they intend to file a response and require more time to do so should be automatically granted an adequate uniform time extension in which to prepare their response. The currently available extension time is insufficient to address such situations.

For those concerned about such response time extensions, we note that adequate measures exist to lock the domain and preclude any attempted transfer from having any effect on the outcome. As such, we see little or no risk to complainants from extending the period of time available to a registrant to prepare an adequate response.

*Should there be rules for the appointment of UDRP panels, such as formalized rotations?*

We believe that excessive use of select examiners for a large portion raises serious questions of potential bias that suggest a need for reforms. Noted Canadian trademark

attorney Zak Muscovitch has [documented](#) that, of their listed 134 panelists, only about a dozen UDRP panelists do the lion's share of work for the National Arbitration Forum (NAF). A UDRP provider should not be permitted to list panelists who are seldom if ever assigned cases, and there should be a more uniform and random distribution of cases among the listed panelists.

In addition, we believe that the rules relating to panelists need to be reviewed in regard to potential conflicts of interests among panelists who also represent parties to UDRP cases; and as to whether the dispute providers have transparent rules and procedures that do not unduly prohibit qualified attorneys from becoming listed panelists. It is questionable whether a panelist can be unbiased when reviewing arguments similar to those that he/she makes as an advocate in other UDRP proceedings; attorneys may need to decide whether they want to serve as panelists or as advocates before UDRP panels. There are enough qualified attorneys who do not serve as UDRP advocates, or are retired judges and expert academics, to provide an adequate supply of panelists who do not raise conflicts issues.

There should also be greater transparency as to how UDRP panelists are accredited, and how panelists are appointed. WIPO has stated that it takes an active role in appointing panels, but it is not clear how that role is exercised or whether other UDRP providers follow similar practices. Steps should be taken to assure balance in UDRP panel selections. For example, if the parties have opted for a three-person panel, and the panelists picked by the opposing sides have known and opposing views on the central issue, an effort should be undertaken to appoint as the presiding panelist an expert who would approach the relevant issues with unbiased eyes so as not to prejudge the matter.

ICANN's relationship with accredited UDRP providers should be formalized in a standard contractual arrangement. The UDRP provider should be accredited under the terms of that contract and subject to cancellation or discipline by ICANN in the event of violations. Panelists should be well qualified in the area of trademarks and should pass a test and attend continuing education on both technical and other concepts.

For too long ICANN has avoided engaging in active oversight of its accredited UDRP providers, and the lack of a standard contractual relationship facilitates such irresponsible conduct. ICANN must be required to engage in active oversight of the UDRP program and UDRP providers, and should be assisted in that role by a balanced advisory panel of brand and domain registrant representatives and other qualified parties that can highlight abuses of the procedure, as well as recommend best practices.

*Under what circumstances (if any) should/could UDRP proceedings be anonymized?*

The ICA believes that UDRP proceedings should not be anonymized and that efforts on transparency should be expanded. For example, currently only decisions are published and there is no standardized approach to any statement of factual background. In the absence of factual transparency of the underlying arguments and facts, the public is precluded from assessing the impact of the decision and bias cannot be countered. The ICA believes that publication of complaints and responses should be seriously considered with publication required absent a ruling by the panelist (included within the published decision) stating that the documents contain information which is truly confidential.

*Should there be clearer policy guidance on a registrar's obligations if a case is stayed or suspended?*

Yes. Currently this is handled differently by each UDRP provider and no clear rules apply when the stay is unilaterally requested by the complainant without a commiserate limitation on time or requirement that the complaint be dismissed. The UDRP would benefit from a clear statement of registrar obligations.

*Should the possibility of laches be recognized in UDRP proceedings; if so, how can this be expressly addressed?*

As stated in our answer to the second question, There should be an established time period after which a domain held by the same registrant, and for which there has been no material change in usage indicative of infringing intent, should be shielded from a UDRP. If a rights holder has had the opportunity to know of a domain's existence and activities for years, and has chosen to not exercise whatever legitimate trademark rights it has, there should come a set point in time in when the registrant receives protection against a UDRP filing. The trademark holder's judicial rights would remain available subject to any relevant statute of limitations or applicable laches doctrine.

### **Additional UDRP Issues**

In addition to the issues discussed above, we believe the following matters should also be examined in any UDRP Review:

- **Penalties for Reverse Domain Name Hijacking (RDNH)** – Abusive UDRP filings made with the intent to misuse this arbitration process to facilitate the theft of a domain cannot be tolerated. Exploration of sufficient monetary, procedural, and other penalties should be actively explored. In addition, it is our

understanding that at recent discussions held during a related [WIPO function](#) in Geneva, Switzerland some of the following concepts were discussed either privately or publicly among those in attendance:

1. Making sure a copy of the RDNH decision went to the complainant AND its counsel
2. Sending a copy to the bar association to which the attorney is a member
3. Addressing it more openly in the Index and explaining the potential consequences, including exposure to liability in subsequent proceedings.
4. Separate limitations on the ability of the attorney and the complainant to file or otherwise process further UDRP claims in the event of multiple RDNH findings.

All of these actions are worthy of further exploration in a UDRP review. The review should aim to establish clear guidelines for when RDNH must be found.

- **Clear Transparency Rules for UDRP providers**

Current rules allow too much communication with panelists that is non-transparent – even to the point of UDRP provider staff providing suggested decisions to panelists. Provider staff should be prohibited from communicating with panelists or placing any materials in the file that were not generated by the complainant or respondent or communicated to both the complainant and respondent. Both complainant and respondent should have a complete copy of all materials forwarded to any panelist, and provider staff must ensure that all such materials are actively communicated to both parties. All too often there are emails and similar communications in the "file" that have not been provided to the Respondent because they were deemed "pre-acceptance" communications.

There are a variety of ways to address UDRP provider transparency and impartiality that might be considered:

- Allow a registrant to specify in its WHOIS record the UDRP provider it wishes to have any case brought against it heard by. As all ICANN-accredited providers should be deemed equally capable of adjudicating a dispute, there is no rationale for permitting Complainants to select one hundred percent of the forums in which cases will be heard.

- Alternatively or in addition, allow the Respondent to counter the UDRP provider election of the claimant and select a different accredited provider to adjudicate the dispute
  - Have ICANN establish a centralized mechanism for complaint intake, and allocate UDRPs on a random rotation basis among accredited providers. ICANN would collect all filing fees and distribute them among the selected UDRP providers.
- **Uniform ability to correct deficient filings**

Complainants are regularly granted the courtesy of amending their filings. The Registrant should therefore have ten days within which to correct any instances of non-compliance to the satisfaction of the Provider. This reform is needed in particular if no change is made to the inordinately short 20 days from notice granted to the Respondent for his answer to the complaint.

- **Impartial treatment of further non-requested statements or documents**

Paragraph 12 of the UDRP provides that, in the event that a Party submits a further statement or document to the Provider without having been requested to do so in accordance with its provisions, the Panel may only exercise its discretion to admit such further statement or document if exceptional circumstances are shown to exist by that Party. The UDRP should be amended to require that if such exceptional circumstances are shown to exist, and the Panel therefore decides in its discretion to admit an unrequested further statement or document, then the Panel must communicate its decision to both Parties and provide an opportunity for the other Party to respond to the admitted further statement or document within a period of no less than five days. Providing such a time for response is a matter of fundamental fairness.

- **Uniform decisional data reporting**

At present each UDRP providers reports its decisions on its own website, and as little or much statistical analysis as it cares to provide. ICANN should require all UDRP providers to adopt a uniform data structure for reporting UDRP decisions, including RDNH findings and dissents, to facilitate analysis of the UDRP program – and all this data should be communicated to and aggregated at a central online database that it maintains. Without such data centralization it will be increasingly difficult to document and react against divergent treatment of similar fact patterns by different UDRP providers.

- **Ban On Deciding Issues Not Presented by Complainant**

There is some history of panelists issuing decisions based upon arguments not expressly presented by complainants. An example of such treatment is found in the recent attempts to expand the Policy to incorporate Paragraph 2 in relation to domain name renewals. Such actions are unfair to respondents and undermine the integrity of the process. Panelists should be precluded from issuing decisions based upon arguments that were not actually presented.

- **Limitations on Trademark Rights.**

The language of the 1<sup>st</sup> element of the UDRP has been largely ignored with the element being reduced to a “standing” requirement of little impact. UDRP decisions have regularly expanded the “rights” considered beyond those recognized by relevant trademark law. For example, panelists have recognized “common law” trademark rights asserted by a complainant located in a jurisdiction which does not recognize common law trademarks.

Improvements to the existing language regarding trademark should be considered including:

1. A requirement that the trademark rights be recognized under the laws of the jurisdiction of the Complainant. This would preclude a complainant from asserting trademark “rights” which are not legally recognized;
2. A requirement of panelists to consider the actual use of a domain by the respondent as opposed to limiting any relevant test to a text vs. text approach.

- **Rights and Legitimate Interests**

The growth of the Internet and the maturity of the domain name investment industry require modification of the concepts of rights or legitimate interests.

The ICA recommends that the WG undertake a thorough review of the 2<sup>nd</sup> element of the UDRP with the following concepts in mind:

- The current UDRP uses the terms “rights or legitimate interests” but does not define the term “rights”. The term “rights” should be given meaning within the context of legitimate domain investment practices and the recognition that a domain constitutes a valuable intangible asset unto itself. The rights that are

inherent to a domain name must be appropriately balanced against trademark rights within the UDRP context.

- The examples should be expanded to include the use of the domain name for advertising purposes, provided that the advertising results themselves do not target the complainant or its asserted trademark.
- The holding of a domain name for sale is legitimate provided that its actual use does not evidence an intent to target the complainant or its asserted trademark.

- **Bad Faith**

To return the UDRP to its original purpose and to a firmer legal foundation, the ICA recommends that the UDRP WG clarify the meaning of “bad faith” with these principles in mind:

- Bad faith requires both bad faith registration and bad faith use.
- Bad faith use must involve actual use. Passive holding or non-use cannot be bad faith use except when the panelist has found that the asserted trademark is famous, and that no non-conflicting use could be conceivably undertaken by the registrant.
- Bad faith requires a demonstration that the Respondent specifically targeted the complainant.

## **Conclusion**

We appreciate the opportunity to provide these comments on the Preliminary issue Report. We hope they are helpful to the ICANN community’s further consideration of this highly important matter, especially as we move toward initiating PDPs on the new gTLD RPMs as well as the UDRP.

Sincerely,

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