

VIRTUALAW LLC

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By E-Mail

Internet Corporation for Assigned Names and Numbers

12025 Waterfront Drive, Suite 300

Los Angeles, CA 90094-2536

Re: Rights Protection Mechanism (RPM) Requirements

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 Rights Protection Mechanism (RPM) requirements posted for public comment on August 6th¹. The Purpose of the comment period is stated as follows:

The operational requirements for implementation of the Sunrise and Trademark Claims processes in new gTLDs, and a set of community-proposed revisions, are being posted for comment to give an opportunity for the community to review and provide feedback on these requirements.

The primary focus of our letter is to identify current deficiencies in the Trademark Notice to be transmitted to individuals and entities attempting to register domain names that have been registered in the Trademark Clearinghouse, and to suggest corrective amendments thereto.

Correcting these deficiencies to provide clear and comprehensive notice will better carry out the underlying policy aims of the RPM requirements and will benefit all of the relevant parties:

- Domain registrants – expanded information will provide potential registrants with a sounder basis for determining whether they wish to complete or abandon a domain registration following receipt of a Trademark Notice by being better able to gauge the probability of being subject to and losing a potential UDRP, URS, or trademark litigation action.
- New gTLD registry operators – better informed potential registrants will be less likely to abandon prospective domain registrations for which they intend no bad faith registration and use.
- Rights holders – more comprehensive information receipt by a prospective registrant may have bearing upon whether a completed registration was undertaken in bad faith.

Executive Summary

ICANN's unfortunate and procedurally questionable decision to adopt the Trademark-Plus-Fifty proposal means that Trademark Notices will be generated to prospective registrants at new gTLDs where the intended domain name is an exact match of a registered trademark in which legal rights are held – as well as where that intended name matches a trademark variant in which no rights are held, but that may give rise to a legitimate claim of trademark infringement depending on several factors, the most important of which is the registrant's intended and actual use of the website.

¹ <http://www.icann.org/en/news/public-comment/rpm-requirements-06aug13-en.htm>

Within this context of two materially different categories of matches giving rise to the issuance of such Notices to prospective registrants, the current draft text of the Notice fails to achieve the goal set forth in the Revised RPM Requirements – namely, that it provide “clear notice to the prospective domain name registrant of the scope of the Trademark Holder’s rights”.

In order to correct this major and material shortcoming and accurately describe the scope of the rights involved, we propose:

- Amending the Trademark Notice to provide registrants with more comprehensive information regarding the legal distinction between registered trademarks and their variants.
- Requiring rights holders who register such variants in the Trademark Clearinghouse to provide a hyperlink to the UDRP decision on which such registration is based, with such hyperlink(s) to be provided to the registrant in the Notice.
- Requiring rights holders who register variants based upon court determination to provide a hyperlink to the court case in which its use was found to be infringing; or, where an online database of court decisions is unavailable, to provide as much information as is available to assist the potential registrant in finding the text of the relevant court opinion. Such information should in turn be included in the Notice.
- Requiring rights holders who register terms based on prior UDRP or court decisions to advise ICANN at the time of registration whether such decision was subsequently appealed and, if so, of the status and/or final result of the appeal. Again, such supplementary information should be conveyed to the registrant in the Notice.

In addition, we believe that there is one potential type of case – allegations of infringement against a website labeled with a previously abused term, but at which no use implicating any of the goods and services classes covered by the related trademark is occurring and/or registered at a new gTLD “label” that bears no relationship to the classes of goods and services encompassed by the related trademark – at which the URS would never be an appropriate remedy because of the complex factual and legal issues involved. Resolution of such cases should be undertaken via a UDRP or court action. We realize that this comment is outside the scope of the request for feedback but feel that this is an important issue deserving consideration as URS arbitration practice commences and develops.

Discussion

Potential registrants of domains at incumbent gTLDs do so without any oversight by ICANN. Registrants receive no feedback as to whether the domain they seek is a

registered trademark or may be confusingly similar thereto, and rights holders must monitor domain registrations and take after-the-fact arbitration or litigation actions against any domains they believe to infringe their rights.

In comparison, all potential domain name registrations at new gTLDs will be subject to a cross-check against trademarks registered with the Trademark Clearinghouse (TMC) and, if they match a record registered with the TMC, a Trademark Notice (TN) will be generated and sent to the potential registrant to warn of potential infringement. In essence, the notified registrant then proceeds with completion of the registration at its own legal risk. The TN will be generated during at least the first 90 days of general registration at a new gTLD; but the notice period may be longer, or even indefinite, at the discretion of the registry operator if stated in its TLD Startup Information.

While outside the scope of the subject being commented upon, we expect that some rights holders will claim in any subsequent UDRP or URS² action brought against a registrant who proceeds with registration completion notwithstanding receipt of a TN that this post-receipt action, standing alone, is sufficient to demonstrate bad faith registration. While we strongly dissent from that view we nonetheless believe that within the context of post-launch arbitration actions concerning domains at new gTLDs it is critical – for both the registrant and the rights holder – that the TN provide clear and comprehensive information regarding the scope of the rights that may be infringed and the history of the particular term that has triggered a match. The present TN draft fails to meet that standard.

The need for such clarity has increased due to ICANN's unfortunate decision that adoption of the Trademark-Plus-Fifty (TM+50) proposal was an implementation and not a policy matter. While ICA had no objection to the concept and implementation of a TMC serving as a repository of validated trademarks, the adoption of TM+50 has corrupted the purpose and utility of the Clearinghouse and will introduce undesirable ambiguity into the effect of receipt of a TN.

As described in the May 16th decision of the Board Governance Committee that rejected the NCSG's reconsideration request of this decision, TM+50 operates as follows:

One of the portions of the Strawman proposal stated: “Where there are **domain labels that have previously determined to have been abusively registered or used (e.g., as a result of a UDRP or court proceeding)**, a limited number (up to 50) of these may be added to a Clearinghouse record (i.e., these names may be mapped to an existing record for which the trademark has already been verified by the Clearinghouse). **Attempts to register these as domain names will generate the Claims notices as well as the notices to the relevant rights holders (for both Claims 1 and 2).**” See Strawman at <http://newgtlds.icann.org/en/about/trademarkclearinghouse/strawman-solution-03dec12-en.pdf> , page 3. (Emphasis added)

² Relevant portions of the most recent version of the URS Procedure can be found at Exhibit A of this letter

This means that the TMC is no longer to be a repository of validated trademarks in which rights are clearly held, but is also to be a repository of terms that are not trademarked (and for which there are accordingly no rights holders) and which do not embody any recognized legal rights. Rather, such non-trademarked terms will be those that were previously found in a UDRP or court action to have been registered and used in bad faith by third parties other than the registrants now attempting to register the same term, with such prior infringing use occurring at incumbent registries other than those at which they are now attempting registrations. Given these profound differences, a prior finding of abusive registration cannot be presumed to be replicated by the new applicant at the new gTLD.

The current text of the TN³ can be found at Exhibit A of the Revised RPM Requirements of August 6, 2013⁴. The draft TN fails in its conveyance of relevant information to potential registrants to differentiate between the characters of the two separate types of records that will be held in the TMC – between trademarks in which rights are held by the entity that placed the mark in the TMC database, and confusingly similar variants of trademarks in which no independent rights exist, but that were found to be infringing at another gTLD (or ccTLD, if it has adopted the UDRP) via a UDRP or court action based upon the particular use of that offending website by a completely different registrant.

This distinction is critical for potential registrants, especially as the majority will likely be unsophisticated parties with no clear understanding of the interaction of trademark law with the domain name system. Unsophisticated registrants will incorrectly assume that the receipt of a TN for a variation of a trademark intended for use at a website that has no correlation with the classes of goods and services encompassed by the related registered mark is the equivalent to receipt of a TN for the registered trademark itself where the intended domain is to be used for corresponding goods and services. Yet no infringement may occur in the former case, while infringing use is quite likely in the latter. The provision of more informative data to registrants is required so that they may understand this critical distinction and decide whether or not to complete registration based on clear and complete information.

Further, without the provision of additional information the TN will not be in accord with its description in the Revised RPM Requirements, which states:

3. **Claims Period.** The “**Claims Services**” provide both (i) a notice to potential domain name registrants that a domain name they are seeking to register in a TLD matches a Trademark Record of a Trademark Holder that has been verified by the Trademark Clearinghouse (a “**Claims Notice**”) and (ii) a Notice of Register Names (NORN) (as such term is defined in the Functional Specifications). **The Claims Notice is intended to provide clear notice to the prospective domain name registrant of the scope of the Trademark Holder’s rights.** (Emphasis added)

³ We have included the current text in Exhibit B of this letter

⁴ <http://newgtlds.icann.org/en/about/trademark-clearinghouse/draft-rpm-requirements-06aug13-en.pdf>.

As presently constituted, the Claims Notice fails to “provide clear notice to the prospective domain name registrant of the scope of the Trademark Holder’s rights” because it fails to differentiate between validated trademarks in which the trademark holder has rights and confusingly similar variations in which the trademark holder has no full trademark rights -- but does have a right to bring arbitration and litigation based upon alleged infringing use of the website for goods and services encompassed by the trademark of which the domain name is a variation.

We therefore propose the following amendments to the draft TN so that it will better accord with the intended goal of providing clear notice to potential domain name registrants of the scope of the Trademark Holder’s rights:

- Amend the TN to differentiate between registered trademarks and confusingly similar variations thereof, as follows (new text in **bold**): “This domain name label has previously been found to be used or registered abusively against the following trademarks according to the referenced decisions. **Where the domain name label is not an exact match of the registered trademark it is a label that was previously found in a UDRP decision to be a confusingly similar variation thereof for which the registrant had no legitimate right or interest and had registered and used the domain in bad faith; or was determined in a court action to constitute trademark infringement under applicable national law. Such prior decisions are not automatically determinative as to whether your intended use of the domain would constitute infringement.**
- Add a hyperlink to the relevant UDRP decision. There is no central database for all UDRP decisions, and each ICANN-accredited arbitration organization maintains its own proprietary database of past decisions. Yet ready access to such decisions is critically important if a prospective registrant is to best understand whether its contemplated use of the prospective domain may be infringing.

There is time to address this shortcoming -- according to ICANN’s September 9th notice, “Trademark Clearinghouse: Trademark Claims Functionality Live”⁵:

“As communicated previously, ICANN has worked with Trademark Clearinghouse service providers Deloitte and IBM to implement **Claims protection for domain name labels that have been found to have been abusively used or registered in the past. Rights holders may submit these domain name labels for association with existing Clearinghouse records as early as 11 October 2013.** Once previously-abused labels have been verified, they will be integrated into the Trademark Claims service. ICANN expects this to occur by 18 October 2013, ahead of the earliest anticipated new gTLD Claims period.” (Emphasis added)

⁵ <http://newgtlds.icann.org/en/announcements-and-media/announcement-09sep13-en>

Given the fact that UDRP and court records of abusively used domain name labels will not be accepted until next month, it should be required that rights holders submitting such records include a hyperlink to each associated UDRP decision; this requirement would impose no significant burden on those seeking such TMC protection for previously abused labels.

- Add an additional section in which relevant court decisions can be included, and require rights holders to provide hyperlinks to such decision that can be included in the TN – or, if such decisions are not accessible online, include as much information as is available to assist the potential registrant in finding the text of the relevant court opinion. As noted above, TM+50 encompasses prior court proceedings, but the draft text of the TN contains no information field for listing decisions in such proceedings. This glaring omission should be corrected before the text of the TN is finalized.
- Require rights holders who register variants in the TMC based upon UDRP or court decisions to advise ICANN as to whether such decision was subsequently appealed and, if so, whether the original decision was affirmed or overturned. In particular, the fact that a UDRP decision was subsequently appealed to a court of national jurisdiction, and the decision rendered in such case, is highly relevant and indeed indispensable information regarding the scope and validity of the Trademark Holder's potential claims against the prospective registrant seeking to register an identical domain. Such information should of course be included in the TN.

In addition to adoption of the above proposals, Section 3(b)(v) of the URS Rules⁶ should be technically amended to reflect the adoption of TM+50m, as follows (new language in bold):

(v) Specify the trademark(s) or service mark(s) on which the complaint is based-- **and where applicable to the complaint the previously abused variant(s) thereof that was/were submitted to and listed with the Trademark Clearinghouse as well as identifying information regarding the UDRP or litigation in which such abuse was determined to take place, as well as whether the registration of the allegedly infringing domain generated a Trademark Notice to the registrant** -- and the goods or services with which the mark is used including evidence of use – which can be a declaration and a specimen of current use in commerce - submitted directly or by including a relevant SMD (Signed Mark Data) from the Trademark Clearinghouse;

Conclusion

⁶ <http://newgtlds.icann.org/en/applicants/urs/rules-04mar13-en.pdf>

The current draft text of the Trademark Notice fails to accord with the stated goal of providing “clear notice” to the prospective domain name registrant of the scope of the Trademark Holder’s rights because it fails to differentiate between trademarks in which rights are held, and previously abused variants to which full trademark rights do not attach but which may be infringing depending on intended and actual use. Unless this shortcoming is corrected, most prospective registrants will not understand this critical distinction and will likely abandon intended registrations even when their intended use of the website would not give rise to a valid claim of infringement.

Finally, while outside the scope of the current comment subject, we wish to go on the record regarding the proper application of the URS in regard to domains, including those consisting of terms that are previously abused variants of registered trademarks. As characterized by the World Intellectual Property Organization (WIPO)⁷:

Aiming at the clearest cases of trademark abuse, the URS is intended to offer a lighter complement to the existing UDRP (see below). **It is not intended for use in proceedings with open questions of fact or more involved legal scenarios.** While the substantive criteria of the URS are similar to the UDRP criteria, the URS is supposed to carry a higher burden of proof for complainants. (Emphasis added)

While reserving our views in regard to other potential scenarios, and awaiting actual observation of URS arbitration practice, we believe that there is one category of potential cases in which a URS would never be appropriate and for which a rights holder should always seek relief via a UDRP or court action. That is the category of registration of a domain name, including a previously abused label, where the actual use of the website and/or the “label” embodied in the new gTLD bears no relationship to the classes of goods and services encompassed by the related trademark. The entire basis of the new gTLD program is a belief that new TLD addresses provide meaningful distinctions to domain names that are useful to Internet users seeking particular categories of goods and services. Therefore, when a domain is registered in a gTLD that bears no relationship to the goods and services of the related trademark against which a claim of infringement is made, the clear implication of such registration and use is that no infringement is occurring, and a rights holders’ allegation of infringement will necessarily raise factual and legal issues that are beyond the “clearest case” category. In making this observation we are by no means condoning any actual infringement that might occur on such a website, but merely observing that consideration of claims in such cases is beyond the intended scope of the URS and would be appropriately considered only within the broader context of a UDRP.

We hope that ICANN finds our views on this important matter to be useful and informative.

⁷ <http://www.wipo.int/amc/en/domains/rpm/>

Sincerely,



Philip S. Corwin

Counsel, Internet Commerce Association

Exhibit A – Relevant Portion of URS Procedure (March 1, 2013 version)

1.2 Contents of the Complaint

The Complaint will be submitted using a form made available by the Provider. The Form Complaint shall include space for the following:

...

1.2.6 An indication of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely:

1.2.6.1. **that the registered domain name is identical or confusingly similar to a word mark:** (i) for which the Complainant holds a valid national or regional registration and that is in current use; or (ii) that has been validated through court proceedings; or (iii) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed.

a. Use can be shown by demonstrating that evidence of use – which can be a declaration and one specimen of current use in commerce – was submitted to, and validated by, the Trademark Clearinghouse)

b. Proof of use may also be submitted directly with the URS Complaint. and

1.2.6.2. **that the Registrant has no legitimate right or interest to the domain**

name;

and

1.2.6.3. **that the domain was registered and is being used in bad faith.**

A non-exclusive list of circumstances that demonstrate bad faith registration and use by the Registrant include:

a. Registrant has registered or acquired the domain name primarily for the purpose of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of documented out-of-pocket costs directly related to the domain name; or

b. Registrant has registered the domain name in order to prevent the trademark holder or service mark from reflecting the mark in a corresponding domain name, provided that Registrant has engaged in a pattern of such conduct; or

c. Registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; or

d. By using the domain name Registrant has intentionally attempted to attract for commercial gain, Internet users to Registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of Registrant's web site or location or of a product or service on that web site or location.

TRADEMARK NOTICE

[In English and the language of the registration agreement]

You have received this Trademark Notice because you have applied for a domain name which matches at least one trademark record submitted to the Trademark Clearinghouse.

You may or may not be entitled to register the domain name depending on your intended use and whether it is the same or significantly overlaps with the trademarks listed below. Your rights to register this domain name may or may not be protected as noncommercial use or “fair use” by the laws of your country. [in bold italics or all caps]

Please read the trademark information below carefully, including the trademarks, jurisdictions, and goods and service for which the trademarks are registered. Please be aware that not all jurisdictions review trademark applications closely, so some of the trademark information below may exist in a national or regional registry which does not conduct a thorough or substantive review of trademark rights prior to registration. If you have questions, you may want to consult an attorney or legal expert on trademarks and intellectual property for guidance.

If you continue with this registration, you represent that, you have received and you understand this notice and to the best of your knowledge, your registration and use of the requested domain name will not infringe on the trademark rights listed below. The following [number] marks are listed in the Trademark Clearinghouse:

1. Mark: <tmNotice:markName>

Jurisdiction: <tmNotice:jurDesc>

Goods and Services: <tmNotice:goodsAndServices>

International Class of Goods and Services or Equivalent if applicable: <tmNotice:classDesc>

Trademark Registrant: <tmNotice:holder>

Trademark Registrant Contact: <tmNotice:contact>

This domain name label has previously been found to be used or registered abusively against the following trademarks according to the referenced decisions:

Decision Number:

UDRP Provider:

2 (<tmNotice:claim>). Mark: Jurisdiction: Goods and Services: International Class of Goods and Services or Equivalent if applicable: Trademark Registrant:

Trademark Registrant Contact: 13

X (<tmNotice:claim>). Mark: Jurisdiction: Goods and Services: International Class of Goods and Services or Equivalent if applicable: Trademark

Registrant: Trademark Registrant Contact

For more information concerning the records included in this notice, see <link to informational page>.