

Internet Corporation for Assigned Names and Numbers ("ICANN") 4676 Admiralty Way Suite 330 Marina del Rey, CA 90292-6601 USA

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NEW gTLD PROGRAM:
DRAFT APPLICANT GUIDEBOOK VERSION 4 &
ECONOMIC FRAMEWORK FOR ANALYSIS OF NEW GTLD EXPANSION.

Dear Sir/Madam,

The International Olympic Committee ("IOC") submits this letter in response to ICANN's invitations for public comment regarding the New gTLD Program, including version four of the Draft Applicant Guidebook and the Economic Framework for the Analysis of the Expansion of Generic Top-Level Domain Names.

I. INTRODUCTION

The IOC remains opposed to the introduction of new gTLDs as a whole. When, and if, new gTLDs are launched, the Olympic Trademarks (including the words OLYMPIC and OLYMPIAD) should be put on a list of reserved marks – just as ICANN currently reserves its own trademarks.

Nevertheless, the IOC has sought to contribute helpful information to ICANN regarding the New gTLD Program. We are pleased to see that ICANN has recognized our comments regarding *special statutory trademark protection* and enumerated "marks protected by statute or treaty" as a proposed standard for inclusion in the Trademark Clearinghouse. However, we remain deeply concerned with the overall state of the proposed rights protection mechanisms for new gTLDs. We find even more troubling the statements from ICANN leadership confirming that trademark protection in new gTLDs is believed to be a settled issue.¹

¹ "We're ready to go", Peter Dengate Thrush – Chairman of the ICANN Board – recently told a popular trademark publication. See Adam Smith, Time to finalize your new gTLD trademark enforcement strategy, World Trademark Review Daily (6 July 2010). "Go enforce your trademarks in court", Rod Beckstrom – ICANN President and Chief Executive Officer – recently told a popular technology publication. See Ryan Singel, Domain Name Czar Seeks .OnlineUnity, Wired.com (5 March 2010) available at http://www.wired.com/epicenter/2010/03/icann-chief/ (last visited 12 July 2010).



Every individual member of the ICANN multi-stakeholder community stands to benefit from rights protection mechanisms that offer trademark owners a reasonable alternative to "enforce[ing] [their] trademarks in court." Accordingly, in the IOC's continued – and qualified – effort to provide insight and information regarding adequate trademark protection in new gTLDs, we submit the following comments:

II. COMMENTS

A. TOP-LEVEL RESERVED NAMES LIST.

The IOC refers to its prior comments regarding the unique, not-for-profit nature of the Olympic Movement and the global extent of special legislation extending enhanced legal protection to the Olympic Trademarks. In addition to special legislation, the Olympic Trademarks are further protected by an extensive network of national and international trademark registrations, an influential body of judicial and UDRP decisions and a longstanding history of cooperation from a variety of registration stakeholders. See Annex A.

If ICANN and other entities remain committed to receiving and expanding undue preferential treatment in the form of a reserved names list, then the Olympic Trademarks must also be included in ICANN's lists of reserved names. See Module 2.2.1.2.

All of the nations listed in Annex A have enacted special legislation, establishing effectively a series of national reserved names lists. These countries – which comprise a majority of the Governmental Advisory Council's ("GAC") active membership – have decided that a reserved names list is an appropriate form of protection for the Olympic Trademarks. ICANN, which represents the interests of the GAC should similarly recognize the Olympic Trademarks in its own list of reserved names. Indeed, as a not-for-profit corporation based in the United States – a GAC constituent that has long reserved the commercial use of Olympic Trademarks to the U.S. Olympic Committee – ICANN is subject to and must act in a manner consistent with the U.S. Olympic and Amateur Sports Act and the Anti-Cybersquatting Consumer Protection Act in deciding whether or not to offer for sale any new gTLDs containing Olympic Trademarks.

B. TRADEMARK CLEARINGHOUSE.

The IOC is encouraged to see that the Clearinghouse will now include, "Any text marks protected by a statute or treaty" See Clearinghouse, Section 5. However, we disagree with limitation of this criterion to statutes or treaties "... in effect on or before 26 June 2008." In applying such a limitation, the Clearinghouse discriminates against future Olympic Games in new host cities that will receive statutory protection. Such statutes have recently been enacted in the United Kingdom, the Russian Federation and Brazil in anticipation of Olympic Games in LONDON 2012, SOCHI 2014 and RIO DE JANEIRO 2016 respectively.

The IOC is further encouraged to see that "substantive review" of nationally registered trademarks is no longer a prerequisite for their inclusion in the Clearinghouse. See Clearinghouse, Sections 5 & 9. However, including a great number of longstanding and



presumptively valid European and other national trademarks in the Clearinghouse will be futile if later rights protection mechanisms – such as Sunrise Registration Services and the Uniform Rapid Suspension System – apply any "substantive review" standard. We reiterate our assertion, "If domain name speculators are concerned with the 'ease by which generic words can be registered in such countries' – i.e. spurious trademark registrations – then it is domain name speculators who should bear the onus of initiating the challenge procedures [previously] recommended by ICANN."

In addition, we believe that failure of Sunrise or Claims Services to recognize confusing similarity and foreign equivalents turns a blind eye to rampant typosquatting in the domain name system. See Clearinghouse, Section 8. At the very least, Claims Services should require registries to report domain names that are confusingly similar to, or a foreign equivalent of, trademarks in the Clearinghouse. If registries utilizing a Claims Service "simply must provide notice", and a mark holder does not "obtain[] an advantage, as it does if the registry offers a Sunrise registration period", then no advantage is obtained in a Claims Service, and "similarly situated applications are treated in the same way" regardless of whether the Claims Service protects against confusingly similar or foreign equivalent domain names.

Lastly, the present Draft Applicant Guidebook imposes additional trademark enforcement costs at each and every opportunity. In order to protect their marks in an expanded domain name system, trademark owners must pay to: submit data to the Clearinghouse; periodically validate Clearinghouse data; participate in Sunrise Registration Services; and maintain portfolios full of unwanted, although necessary, defensive domain name registrations. The cost of funding the Clearinghouse is one cost, among many, that should rightfully be apportioned between the entities that will profit economically from new gTLDs – ICANN, registry operators and registrars. See Clearinghouse, Section 10.

C. UNIFORM RAPID SUSPENSION SYSTEM.

Registration pressures have compromised the Uniform Rapid Suspension System – it is irredeemably flawed and needs to be entirely rewritten. That a special team – with a majority of members lacking any intellectual property expertise – has vetted its infirmities is an insufficient justification for approval of the Suspension System in its current form.

First, in consideration of the undue burdens built into the Suspension System, it should offer a meaningful remedy, such as transfer, placement on a registry-maintained black list, or imposition of a presumption of bad faith for all domains that have already been suspended once. See Suspension System, Section 10.

Second, a number of burdens unjustifiably mire the Suspension System. To truly be rapid, the Suspension System should deny panel review in instances of respondent default, use a conjunctive "OR" standard of bad faith, and reduce the number of defenses for panelists to consider. See Suspension System, Sections 6, 8 & 5. For example, "it was decided, because a registrant may conceivably miss the entire notice, that a review be held on the merits of every case." Such a concern is made entirely superfluous by a proposed two-year statute of limitations for filing a de novo appeal from a panel decision.

Third, the Suspension System's draconian "two-strike" policy for abusive Complaints is unprecedented in international law. *See* Suspension System, Section 11. Jurisdictions around the World simply do not bar trademark owners from filing complaints – under any circumstances – and neither should ICANN.



D. POST-DELEGATION DISPUTE RESOLUTION PROCEDURE.

Registration interests appear reticent to develop a mechanism for resolving trademark-based disputes at the registrar and registry levels.

It is unrealistic to relegate trademark owners to second-level enforcement tools, in a digital age where registration authorities may choose to act as *de facto* registrants or turn a blind eye while facilitating – and profiting from – systematic cybersquatting. The present formulation of the Procedure merely encourages new gTLD registries to take root in nations with weak legal protection for intellectual property, i.e. nations that lack theories of secondary liability or remedies for cybersquatting. Accordingly, the Procedure should utilize a "willful blindness" standard and extend to registrars as well. *See* Post-Delegation Procedure, Sections 6 & 1.

E. ECONOMIC FRAMEWORK FOR ANALYSIS OF NEW gTLD EXPANSION.

The IOC understands that ICANN has published this study, which essentially calls for further study of whether the prospective economic benefits of new gTLDs outweigh their harm to consumers and trademark owners. The IOC does not understand how ICANN can march forward with the launch of new gTLDs while this vital issue remains uninvestigated and unresolved. Indeed, ICANN must not approve the New gTLD Program until the issue of trademark protection is adequately studied and resolved.

In addition, the IOC feels that the proposed framework of the economic study exhibits several flaws. First, it improperly lends credence to a number of prior studies that made biased and unsubstantiated generalizations about defensive domain name registrations. These prior studies grossly underestimated enforcement costs for brand owners in the domain name system.

Second, the economic study improperly concludes that brand owners enjoy some "affirmative benefit" in defensively registering and maintaining portfolios of defensive registrations. In fact, brand owners do not enjoy any "affirmative benefit" because defensive domains are not always forwarded to a primary website and do not generally garner any Internet traffic. Moreover, brand owners that do choose to forward defensively held domain names incur additional fees from registrars to do so.

Third, brand owners do not normally employ a cost-benefit analysis in deciding to maintain defensive domain names. A significant portion of any defensive domain name portfolio includes domains that brand owners never chose to register, but were transferred pursuant to successful legal proceedings in order to remedy ongoing infringement, blurring and tarnishment.

III. CONCLUSION

Subject to the foregoing, the IOC maintains its position that ICANN's introduction of new gTLDs is inherently flawed and injurious to owners of famous trademarks – particularly



non-profit trademark owners that rely in part on special statutory protection for their brands. If the new gTLD implementation does proceed, the IOC wishes to stress the need for a reserved names list of Olympic Trademarks.

Again, the IOC's recommendations should not be taken as a waiver of the IOC's right to proceed against ICANN for damages resulting to the IOC or the Olympic Movement from the implementation of the proposed new gTLD system.

Yours Sincerely,

Urs LACOTTE Director General

Howard M. Stupp Legal Affairs Director

Encl. ment

Annex A

OLYMPIC TRADEMARKS & THE TOP-LEVEL RESERVED NAMES LIST

The Olympic Trademarks have many unique indicia of global protection that ICANN should acknowledge in including the Olympic Trademarks on its reserved names list:

- National legislation protecting the Olympic Trademarks. There are currently thirty-two (32) special statutes, which effectively place the Olympic Trademarks on reserved lists. They supersede the ordinary schema of national trademark registration, in that the Olympic Trademarks are reserved even in the absence of a likelihood of confusion.
 - Argentina
 - Austria
 - Australia
 - Canada
 - China
 - France
 - Belgium
 - Brazil
 - Chile
 - Costa Rica
 - Czech Republic
 - Ecuador
 - Germany
 - Greece
 - Guatemala
 - Hungary
 - Lebanon
 - Luxembourg
 - Mexico
 - Poland
 - Portugal
 - Puerto Rico
 - Romania
 - Russia
 - Slovak Republic
 - South Korea
 - Spain
 - Turkey
 - United Kingdom
 - United States
 - Uruguay
 - Venezuela.
- Judicial opinions affirming the validity of national legislation protecting the Olympic Trademarks. There are currently seven (7) such decisions, in five (5) different countries and/or jurisdictions;
 - San Francisco Arts & Athletics, et al. v. United States Olympic Committee et al., 483 U.S. 522 (1987).

- Deutsche Telekom AG v. Comite International Olympique (Association), OHIM Second Board of Appeal Case R 145/2003-2.
- Comite International Olympique v. Belmont Olympic S.A., OHIM Decision No. 81/2000.
- Benetton Group S.P.A. and Bencom S.R.L. v. International Olympic Committee, Court of Venice, Industrial and intellectual Property Section, Case RG 6047/04 (2006).
- Internationales Olympishches Komitee v. Alexandre SA Zurich, Handelsgericht des Kantons Zurich, Geschafts-Nr. HE040007 (2004).
- Comité National Olympique et Sportif Français v. Société Communication Presse Publication Diffusion, Case No. 08-15-418, FS-P+B, Cour De Cassation (15 Septembre 2009).
- Société Groupement d'achet Edouard Leclerc v. Comité National Olympique et Sportif Français, Cour De Cassation (31 Octobre 2006).
- Uniform Domain Name Dispute Resolution Policy ("UDRP") arbitration proceedings used to protect the Olympic Trademarks. There are approximately eighteen (18) such proceedings, which establish a flawless record in favor of the IOC and the United States Olympic Committee (USOC);
 - USOC v MIC, WIPO Case No. D2000-0189 (May 5, 2000) (transferring www.usolympicstore.com)
 - USOC v Tri-B-U-N Eco. Project, WIPO Case No. D2000-0435 (July 20, 2000) (transferring www.olympiconlinestore.com and www.usaolympiconlinestore.com)
 - *IOC v Peter H. Hufschmid*, WIPO Case No. D2001-0604 (June, 25 2001) (transferring www.torino2006.com)
 - *IOC v Will E.*, WIPO Case No. D2001-0702 (August 13, 2001) (transferring www.torino2006.net and www.turin2006.net)
 - USOC v Vision, NAF Case No. 99702 (September 21, 2001) (transferring www.paralympicgames.com)
 - IOC v More Virtual Agency, NAF Case No. 112584 (May 2, 2002) (transferring www.olympic.biz)
 - IOC and USOC v Domain For Sale, Inc. aka John Barry, NAF Case No. 117893 (August 8, 2002) (transferring www.olympiccommittee.com)
 - IOC v Richard Freeman aka Return Pty Ltd., NAF Case No. 127799 (October 17, 2002) (transferring www.olympic.tv)

- IOC and USOC v Russell Ritchey d/b/a EZ Fixin's, NAF Case NO. FA0211000128817 (January 20, 2003) (transferring www.olympicbrand.com, www.olympicsbrand.com, www.olympic-brand.com, www.olympics-brand.com, and www.olympianbrand.com)
- Athens 2004 and IOC v Melissa Molloy, NAF 260584 (April 28, 2004) (transferring www.athens2004.org)
- BOCOG and IOC v GBS Data System, NAF Case No. 479544 (May 23, 2005) (transferring www.beijing2008.org)
- *IOC and COGO v Dr. Marco Ferro*, NAF Case No. 604980 (December 9, 2005) (transferring www.turin2006.com)
- VANOC and IOC v Hardeep Malik, NAF Case No. 666119 (April 6, 2006) (transferring www.vancouver2010.org)
- BOCOG and IOC v OpenBusiness Ltd., NAF Case No. 1181252 (May 5, 2008) (transferring www.pekin2008.com)
- BOCOG and IOC v Carribbean Online International Ltd., NAF Case No. 1180521 (May 22, 2008) (transferring www.pekin2008.org)
- IOC, USOC and CTV, Inc. v Texas International Property Associates NA NA, NAF Case No. 1253280 (March 26, 2009) (transferring www.ctvolympics.com)
- *USOC v Alan Bachand*, WIPO Case No. D2009-1452 (December 22, 2009) (transferring <u>www.olympicbesthotels.com</u>)
- Anti-Cybersquatting Consumer Protection Act ("ACPA") litigation used to protect the Olympic Trademarks. There are approximately three (3) such actions, covering hundreds of domain names;
 - USOC and IOC v. 2000olympic.com, et al., Case No. CV-00-1018-A (E.D.Va. April 4, 2003, March 15, 2004) (transferring and/or cancelling over seventeen hundred (1,700) infringing Olympic domain names).
 - USOC and IOC v. Xclusive Leisure & Hospitality Ltd. et al., 2009 U.S. Dist. LEXIS 12968; 89 U.S.P.Q.2d (BNA) 2011 (N.D.Cal. February 19, 2009) (impounding www.beijingticketing.com, www.beijingolympics.com, www.beijingolympics.com, www.beijingolympics.com, www.beijingolympictickets2008.com, www.beijingolympictickets2008.com, www.beijingolympictickets2008.com, www.beijingolympictickets2008.com, www.beijingolympictickets2008.com, www.beijingolympictickets2008.com,

- USOC and IOC v. Official Ticket Ltd., et al., Case No. CV-08-1345-PHX-ROS (D.Ariz. August 24, 2009) (impounding www.beijing-2008tickets.com, www.beijing-2008tickets.net, and www.official-ticket.com)
- Network of national and international Olympic Trademark registrations. The IOC holds over eighty (80) trademark registrations of national effect issued in more than sixty (60) countries around the world for the word "OLYMPIC", and another eighty (80) trademark registrations of national effect issued in more than sixty (60) countries for the words "THE OLYMPICS". These figures are in addition to the trademark registrations held by various National Olympic Committees, such as the United States Olympic Committee. There are, in addition to that, numerous registrations for other Olympic Marks.
- Longstanding history of cooperation from a variety of registration stakeholders. The IOC and the USOC have received cooperation from a number of registration stakeholders since the domain name system was first opened to commercial interests.
 - On 23 July 1996, near the dawn of public access to the Internet, Network Solutions agreed to delete any domain name "which incorporates Olympic Committee Insignia protected under the Amateur Sports Act without authorization of the Olympic Committee" upon "written notification from the Olympic Committee." In addition, Network Solutions took "the added step of blocking the literal words 'Olympic', 'Olympiad', and 'Citius Altius Fortius', consistent with 36 U.S.C. § 380(a)." This blocking agreement remained in place for two years as the Internet became more popular.
 - Sedo.com blocks attempts to park domain names containing the Olympic Trademarks and informs customers, "Inserting this domain violates German trademark law." In addition, Sedo.com removes domain names containing Olympic Trademarks from its online auction house and places removed domains on a blacklist.
 - GoDaddy, eBay and AfterNIC also remove domain names containing Olympic Trademarks from their respective online auction house upon request.
 - Nominet explicitly warns its customers regarding registration of "Olympic-related domains" in light of the enforcement efforts of the London Organizing Committee of the Olympic Games.