

Trade mark protection in the new gTLDs

A response to the 24 April 2009 draft output from ICANN's IRT

NetNames

NetNames has been in business for more than 10 years, is part of London listed Group NBT plc and is an ICANN accredited registrar, with the additional ability to register domain names in all available suffixes worldwide. NetNames therefore provides comprehensive coverage of country code TLDs (ccTLDs) such as .de, .es & .fr.

Our specialism is in supporting organisations and Intellectual Property professionals to implement and maintain an effective domain name management and internet brand protection strategy. Following the acquisition of Ascio Technologies in January 2007, NetNames became Europe's largest domain name management specialist.

In addition to our collective experience in the business, we have consulted with our customer base who represent a significant proportion of the world's major brand owners. On the basis of their input and our own experience, we are pleased to submit our comments relating to the draft report from ICANN's IRT.

Overview

ICANN is apparently by now firmly committed to a rapid and massive introduction of new gTLDs. Given this commitment, effective rights protection mechanisms are vital. To this end, the work of the IRT to date should be commended in terms of both speed of execution and thoroughness of approach.

While the above approach may appear comprehensive, the IRT themselves acknowledge that even if all of the above proposed solutions or approaches are taken together, they do not represent a panacea to the problem of trade mark protection in the new gTLDs.

It is clear that the approach taken thus far by the IRT has the potential to make significant steps forward; rights protection in the domain names will remain an ongoing challenge and cost for brand owners.

The IP Clearinghouse

The IP Clearinghouse is proposed to be a registry of both registered and unregistered rights, operated by a neutral third party under contract with ICANN. The IP Clearinghouse appears to be sound, attractive and executable concept. It has the potential to be a very powerful and effective tool to assist in the protection of rights in the new TLDS.

However, the issues of cost and competition around such a service need further consideration. The IRT envisage a single clearinghouse (registry), operated by a neutral service provider, under contract with ICANN. Given the *de facto* monopoly nature of such a service, mechanisms to ensure that it is operated on a cost-recovery basis, need to be in place.

It is a welcome suggestion from the IRT that the service should be technically "state-of-the-art" and support existing (and future), open communication standards. This will ensure that the possibility of developing value-added services off the database is retained, but in such a way that these will be developed in open competition amongst service providers, not by the (monopoly) provider of the registry service itself. Limitations on the sole use of the data need to be framed in such a way as to not restrict future innovation, which may well be to the benefit of rights owners.

The IRT intends that a representative of a rights owner will pay a fee and submit data to the IP Clearinghouse. It is therefore logical to have both an initial and a reduced annual cost to create and maintain a record. The IP Clearinghouse should be set up in such a way as to support existing supply chains i.e. submission of information by registrars or other (competing) agents selected by rights owners. The possibility of direct submission to the IP Clearinghouse is attractive, but the attraction is possibly offset by the fact that direct submission may necessitate additional administrative or customer service functions that are best provided by competing intermediaries. In any event, a functionally focussed IP Clearinghouse registry that is as lean as possible is desirable.

The Globally Protected Marks List

The GPML is intended to address the requirement of trademark owners to create a “Reserved Names List” or “White List” according to well-defined conditions. Inclusion will necessitate meeting a set of strict criteria. Whilst the desirability of a GPML on the part of rights owners is without question, it is a substantial challenge to execute. The applicability or fairness of any set of threshold criteria is likely to be controversial and therefore difficult to find consensus on. Furthermore, it may also provide fertile ground for legal challenges. Any idea or recommendation with these qualities has the capacity to cause delay and frustration and may even undermine the other, easier to execute, concepts proposed by the IRT. Careful consideration is required as to whether or not this recommendation, whilst clearly desirable for many major brands, is an absolute necessity. In any event, application for a new gTLD should certainly not be a necessary condition for inclusion in the GPML.

The IP Claims Service

The IP Claims Service has merit. NetNames pioneered such a service a few years ago, whereby customers of our on-line registration service at www.netnames.com are encouraged to simultaneously search for both domain name availability, as well as any trademark match with their desired character string. The system provides a rapid response as to whether or not the term has an exact match or no match in our trademark databases. It then goes a step further to offer (paid for) similarity searches. It provides a viable proof-of-concept of the ability to consider trade mark conflicts without compromising rapid, online search and registration services for domain names.

The Uniform Rapid Suspension System

The URS aims to provide a low-cost and rapid means for taking down infringing domain name registrations, whilst preserving a registrant’s right to a hearing and/or appeal. It is intended to address the hole not filled by current available remedies. Again, this appears to be a sound, attractive and executable concept.

It is clearly immensely frustrating to rights owners that short term profits can be made off registered domain names, during the course of a time-consuming and expensive dispute resolution process, which may ultimately not even solicit a response from the registrant.

A key issue to note here is that, depending on the nature of the problem, different time scales may be required i.e. rapid relative to UDRP may not be rapid enough. Phishing sites leverage existing rights to attract and deceive users into handing over valuable data. The most damage is done in a very short space of time (a matter of hours) which is shorter than that envisaged by the URS. In this respect, the work of the IRT needs to be co-ordinated with that of others working on dealing with the increase in malicious behaviours under the new gTLDs.

Nevertheless, a means to disrupt illegitimate activity on clearly infringing domain names, which is much more rapid than the existing UDRP approach, is highly desirable. The timescales proposed by the IRT seem to be a reasonable balance of accelerated action, whilst recognising that there may be legitimate reasons for some delay in the preparation and sending of a response to complaints. The use of only a single provider of URS services may be desirable in the first instance, but should not be a permanent requirement.

Post delegation dispute resolution mechanism

This should not be necessary although the motivation for it is clear. However, the industry needs to trust that the operator of a new TLD will operate according to the public and negotiated contract they have with ICANN. To the extent that they operate outside that contract, ICANN must rapidly and effectively enforce compliance by reference to a range of remedies, including ultimately revoking the licence to operate such a TLD. For ICANN to introduce a raft of new TLDs without a very strong, public and measurable commitment to enforcement of the contracts under which the licences to operate the new TLDS are given, is unacceptable.

Specific WHOIS requirements

The IRT has recommended that ICANN amend the proposed Registry Agreement to include an obligation that all registry operators for new gTLDs must provide registry-level WHOIS under the Thick WHOIS model currently in place in the .info and .biz registries.

The thin WHOIS model is an artefact of a questionable past decision. There are many flaws in the thin WHOIS model. There are legitimate (privacy) concerns with a thick WHOIS model, but they should be able to be dealt with by specialists. We support the IRT recommendation.

Expanded analysis applied to string confusion

The IRT has recommended that the algorithm currently proposed to be used by ICANN only be used to identify those strings that require the application of further analysis. Extending the analysis is logical and therefore easy for us to support.

Additional areas for consideration

In addition to the draft recommendations, the IRT identified a number of other proposals that require further consideration in future; although at this stage, it is not clear by whom. Of those mentioned in the IRT report, we have singled out a few for constructive comment.

We agree that if applicants should be permitted to apply for more than one string in an application. If the other strings are IDN/ASCII equivalents of the base application then ICANN should only charge the additional cost recovery fees associated with the string evaluation and not a separate \$186,000 application fee for each string.

We believe that a phased implementation, such that not all new gTLDs go live within a very short space of one another, merits further consideration by ICANN. The simple practicalities of dealing with tens or even hundreds of registries going live near simultaneously creates substantial problems for all areas of the industry.

We believe that there are a range of motivations for proxy domain name registration. Protection of an individual's privacy is one such legitimate and reasonable motivation. The development of universal standards and practices for proxy domain name registration services is highly desirable.

Summary

NetNames appreciates the opportunity to provide feedback and input into the work of the IRT. The work of the IRT, whilst clearing building on that of others, makes some very significant and positive steps forward in the protection of rights in the new gTLDs. Overall, it is a high quality piece of work admirably achieved in a tight timeframe.