

**Comments of the Internet Committee of the International Trademark Association (INTA) on
the “Preliminary GNSO Issue Report on the
Current State of the Uniform Dispute Resolution Policy”
July 15, 2011**

The Internet Committee of the International Trademark Association (INTA) appreciates this opportunity to provide comments to the Internet Corporation for Assigned Names and Numbers (ICANN) on the Preliminary GNSO Issue Report on the Current State of the Uniform Dispute Resolution Policy (“Preliminary Issue Report”), which was produced by ICANN staff.

Summary

The Committee supports the Preliminary Issue Report recommendation against initiating a policy development process (PDP) on the Uniform Dispute Resolution Policy (UDRP or “Policy”) at this time. Accordingly, we also oppose the establishment of a task force to evaluate and recommend changes in the procedures of the UDRP.

The UDRP represents the stable, functioning backbone of a fair and working dispute resolution process that promotes accountability in the Domain Name System (DNS) by providing trademark owners the ability to enforce their rights and protect consumers from confusion and other harms generated from abusive domain name registrations across all generic top-level domain names (gTLDs).

ICANN and the public rely upon the functioning of the UDRP in many important ways. In the new gTLD program, ICANN is expecting the UDRP to support the newly proposed, and untested, Rights Protection Mechanisms (RPMs) to protect IP and promote consumer trust in the DNS¹. In the Affirmation of Commitments (AoC), ICANN promises to assess the effectiveness of safeguards it implements, such as the UDRP, to mitigate issues involved in the introduction or expansion of new gTLDs².

Disturbing this stable process now as ICANN considers a drastic expansion of new gTLDs will interject additional risk and uncertainties in terms of ensuring adequate consumer and IP rights protection, and will ultimately be a waste of community resources if the new RPMs and their

¹ See ICANN gTLD Application Guidebook. Model 2. Available at: <http://www.icann.org/en/topics/new-gtlds/rfp-clean-30may11-en.pdf>

² See Affirmation of Commitments (AoC). Section 9. Available at: <http://www.icann.org/en/documents/affirmation-of-commitments-30sep09-en.htm>

interplay with the new gTLDs present new and unanticipated challenges for the existing UDRP and Rules. As we describe further in our comments below, we believe the public interest will be served by maintaining the current functioning of the UDRP at this critical juncture in the evolution of the DNS.

I. Background

The abusive registration of trademarks as domain names originated when the Internet was first opened to commercial use. The UDRP is a dispute resolution mechanism providing a framework for resolving domain name complaints initiated by trademark holders against domain name registrants.

The extensive difficulties trademark owners face in protecting and enforcing their IP against misappropriation on a global scale in the DNS, were among the many reasons the DNS White Paper³ issued by the United States Government prior to the formation of ICANN, recommended a uniform approach in addressing disputes between trademarks and domain names. In 1998, this recommendation was incorporated in the first Memorandum of Understanding⁴ between ICANN and the United States Government, and shortly after its formation ICANN called upon the World Intellectual Property Organization (WIPO) to develop recommendations for creating such a uniform dispute resolution mechanism.

Recommended by WIPO and approved by ICANN on October 24, 1999, the UDRP is incorporated by reference into the Registration Agreement for all gTLDs and is therefore binding upon all gTLD registrants, registrars, and registries, irrespective of their geographic location.

Proceedings under the Policy are governed by the Rules for Uniform Domain Name Dispute Resolution Policy (“Rules”) and each of the dispute resolution service providers offers a forum for adjudicating UDRP complaints and maintains lower-level supplemental rules establishing practical modalities for cases filed under the UDRP.

³ See DNS White Paper on Management of Internet Names and Addresses. http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm

⁴ See MOU between ICANN and DOC. <http://www.icann.org/en/general/icann-mou-25nov98.htm>

II. History

Prior to the implementation of the UDRP, trademark owners only had two avenues of recourse against domain name registrants in disputes: traditional litigation with all of its challenges and expenses, or complaining to individual registrars under their individual dispute resolution policies (*e.g.*, such as the one offered by Network Solutions from 1996-1999).⁵

The UDRP was created to address the need for a global alternative to resolve domain name disputes efficiently and without the need for geographically based, expensive and lengthy litigation. Domain name registrants may be located in any country and have the option of shielding their true identity and location by registering domain names through privacy and proxy services. When the registrant's identity and location are fictitious or shielded, this presents a challenge for trademark owners seeking a remedy for infringement in court when the threshold jurisdictional question of "in which court should I file" cannot be answered at the outset. In addition to providing a global forum for resolution of disputes, the UDRP has, for more than a decade, offered a lower-cost and faster alternative to litigation, which can be costly and time consuming for all parties involved. To date, it is the only mandatory rights protection mechanism currently available to trademark owners.

III. Review of the UDRP

Although the UDRP Rules were amended in a narrowly focused WIPO draft in 2009 to require electronic filings⁶, a substantive review of the Policy has not been deemed necessary since its inception.

The 2003 Issues Report on the UDRP recommended that a substantive review of the UDRP not be undertaken at that time, due to problems with the scope of the potential revisions, the resources required to manage it, and existence of other more pressing issues.⁷ In May 2011, in response to a

⁵ The need for a procedure such as the UDRP has been recognized for many years. In 1996, the International Ad Hoc Committee (IAHC) was established to address the need for uniform policies across gTLDs by the Internet Society (ISOC), Internet Architecture Board (IAB), Internet Assigned Numbers Authority (IANA), International Telecommunications Union (ITU), World Intellectual Property Organization (WIPO) and International Trademark Association (INTA). (See <http://en.wikipedia.org/wiki/IAHC>.) In 1998, Network Solutions' exclusive contract to govern the registration of gTLDs ended, and ICANN was formed. (See <http://jtlp.org/vol3/issue2/berlandi.html#ENIII>.)

⁶ See <https://community.icann.org/display/tap/2009-10-30+-Revisions+to+UDRP+Implementation+Rules+for+Electronic+Submission>.

⁷ Reasons cited in the Issues Report were: "A. There are only some issues that are within ICANN's mission. B. Revision of the UDRP is likely to be contentious; there are not many (if any) areas that are obviously amenable to achieving consensus. (Note: the UDRP is a consensus policy, and should be revised only by consensus.) C. While there are some areas where improvements may be possible, there does not appear to be an urgent need for revision – evidence of this is the failure of the previous task force to come to closure on any issue. D. The GNSO Council has

recommendation from the Registration Abuse Policies Drafting Team (RAP DT)⁸, despite notes of protest to how the RAP DT ranked the issue of a UDRP Issue Report, the GNSO Council passed a resolution requesting ICANN staff to prepare an Issue Report on the Current State of the UDRP.⁹ The Council requested that the Issue Report examine how the UDRP has addressed the problem of cybersquatting to date, identify any insufficiencies or inequalities related thereto, and make recommendations on whether to initiate a policy development process on the UDRP.

In order to better understand the Internet Community's views on the current state of functioning of the UDRP, ICANN organized a May 10, 2011, Webinar featuring speakers from various parties that would be affected by changes to the UDRP or the absence thereof. Speakers represented views from WIPO and other dispute resolution providers, registrars, complainants' and registrants' counsel, and academia. As noted in the Preliminary Issue Report, "The overwhelming sentiment from the UDRP Webinar is that although it is not perfect, the UDRP should be untouched. Opening up the Policy to a PDP may ultimately undermine it."¹⁰

That view was fully supported by the representatives of both respondents and complainants. Specifically, a representative for UDRP respondents, Ari Goldberger, expressed the view that the UDRP is "justice well served. It is fair, predictable and provides for a means of efficient and relatively inexpensive dispute resolution which we should be very reluctant to tamper with."¹¹ In fact, Mr. Goldberger urged against UDRP reform and stated, "if it ain't broke don't fix it. Ladies and gentlemen the UDRP is not broken. We have under our belt over 30,000 cases decided by dozens of intelligent, highly qualified and experienced UDRP panelists over the past ten years. Add to that the tens of thousands of hours of research, analysis, and vigorous debate between trademark owners and domain registrants and their respective counsel. This provides for a body of precedent which gives us predictability. It's predictability for trademark owners and domain registrants."¹²

Following the Webinar, the Preliminary Issue Report was published on May 27, 2011. It contains the following recommendation to the Council: "While periodic assessment of policies can be beneficial to guard against unexpected results or inefficient process, the GNSO Council should

other issues (Whois, WIPO-2, etc.) that may warrant a higher priority. Given the limited bandwidth of the PDP, some decisions about prioritization should be made." See *Staff Manager's Issues Report on UDRP Review* (1 August 2003), at <http://www.icann.org/en/gnso/issue-reports/udrp-review-report-01aug03.htm>.

⁸ See *RAP IDT Letter* to the Council dated November 15, 2010, footnote 2, in which two members of the drafting team objected to the calculation of the ranking of the UDRP issue, <http://www.gnso.icann.org/correspondence/rap-idt-to-gnso-council-15nov10-en.pdf>

⁹ See <http://gnso.icann.org/issues/udrp/>.

¹⁰ See *Preliminary Issue Report* at 14.

¹¹ See *Preliminary Issue Report*, at 10.

¹² See *Preliminary Issue Report*, at 15.

consider the perspective of the ICANN community with regard to whether such review is necessary or warranted. Although properly within the scope of the GNSO’s mandate, Staff recommends that a PDP on the UDRP not be initiated at this time.”¹³

IV. Recommendations

We support the Preliminary Issue Report recommendation that the Council refrain from approving a PDP on the UDRP at this time. While not flawless, the UDRP and Rules, working in parallel with the supplemental rules of a handful of dispute resolution providers, have been functioning smoothly for more than a decade. The continuity and legacy of cases¹⁴ decided under this mechanism lends predictability and stability to IP rights holders, registrants, registrars and others in the Internet Community.

The UDRP has proven to be efficient in terms of time to research, draft, file and respond to complaints, time to decision, and costs as compared to traditional litigation. The process is straightforward and well understood by those in the community, and the Policy and Rules have proven to be flexible in their application to developing trends in website uses such as phishing, pharming, pay-per-click advertising and pop-up advertising.

The UDRP has proved to be a time-tested method for avoiding litigation over domain names, which serves the interest of ALL parties, including trademark owners, registrants and registries. It is the only known mechanism for resolving disputes across all gTLDs, in any country and, as such, trademark owners have come to rely heavily on it in everyday practice as well as in the planning for the implementation of the new gTLDs.

V. Timing Considerations

As the landscape of domains is about to change with the roll-out of perhaps hundreds or eventually thousands of new gTLDs, this is not the time to consider introducing substantive or procedural changes to the UDRP via a PDP or otherwise. ICANN and the members of the Internet Community need to focus limited resources on the smooth formulation and implementation of RPMs for the

¹³ See *Preliminary Issue Report*, at 4.

¹⁴ More than 30,000 cases have been filed under the UDRP, *Preliminary Issue Report* at 5.

new gTLDs, and that will require reliance on the backbone of the only other existing and reliable RPM for gTLDs, the UDRP¹⁵.

Although the Preliminary Issue Report offers the Council an alternate procedure focusing on process improvements to the UDRP, now is an inopportune time to embark on such an endeavor for the same reasons that a PDP is currently inadvisable.¹⁶

Moreover, neither a PDP nor the suggested alternate procedure is required to implement procedural changes to the UDRP. As noted in the Preliminary Issue Report, "...changes to the UDRP rules and procedures can be accomplished without going through a new GNSO PDP. For example, on 30 October 2009, the ICANN Board approved changing the Rules to allow for electronic filing of complaints..." If procedural changes are required prior to the implementation of the new gTLDs, the Board has the authority and capability to change the Rules.

In sum, initiating a PDP on the UDRP at this time is ill advised. There is still uncertainty over the logistics of the RPMs that will be available for the new gTLDs and, until the new system is functioning smoothly, all constituents have an interest in maintaining the stability and integrity of the supporting system through the continued functions of current policies and procedures. We note that, at the present time, the UDRP is the only fully defined RPM that exists for the new gTLDs and this is simply not the right time to divert resources to examine its underpinnings.

VI. Dependencies

In addition to the serious concerns presented by the timing of this initiative for a PDP, there is another challenge to analyzing its effectiveness as mandated by the GNSO Council. It is difficult to evaluate the true effectiveness of the UDRP while serious obstacles to its everyday use still exist. For example, UDRP complainants still do not have efficient tools to reveal registrants' identities and locations. Nor is there a searchable WHOIS database to enable complainants to research

¹⁵ See concerns over the projected staffing of the ICANN Compliance Department given the expected roll-out of hundreds of new gTLDs, as further illustration of the need for stability with the UDRP. See INTA Comments on ICANN Operation Plan and Budget FY12 available at: <http://forum.icann.org/lists/op-budget-fy12/msg00006.html>

¹⁶ "However, if the GNSO Council nevertheless believes that the UDRP should be reviewed, Staff suggests an alternative approach for addressing this issue. After carefully evaluating the issues and concerns expressed by the ICANN community regarding the UDRP, Staff has concluded that many relate to *process* issues associated with the *implementation* of the UDRP, rather than the language of the policy itself. The GNSO Council should consider in lieu of commencing a PDP, convening a small group of experts to produce recommendations to improve the *process* or *implementation* of the UDRP policy as an initial step. If after consideration of such expert recommendations, there continues to be a desire to conduct a more thorough review of the UDRP, the GNSO Council could subsequently initiate a more focused PDP at that time." *Preliminary Issue Report* at 4.

common ownership of domains by a single registrant — a necessary resource to demonstrate a pattern of trademark abuse, one means of showing “bad faith” under the UDRP.

Such implementation issues relate not to the substance of the UDRP, or the procedures surrounding its implementation, but instead to the pressing need for full access to accurate WHOIS data from registries, registrars and proxy services. Until these issues in the existing structures supporting the UDRP are addressed, it is not feasible to fully and fairly evaluate the effectiveness of the UDRP.

VII. Community Comments on a PDP

The Preliminary Issue Report cites one view which is worth specifically mentioning in this comment and states, “However, many in the trademark community hold the view that the UDRP is inefficient and unfair to rights holders. According to trademark attorney Paul McGrady, the UDRP is inefficient because complainants have no means of identifying all of the domain names owned by a single respondent, which leads to the need to file additional complaints and incur additional expenses.” As discussed above, it should be clarified that this concern is really directed to the need for better regulation of proxy service providers and supporting systems outside of the UDRP. In fact, to the extent that they are valid or a priority in the first place, many of the points listed in the Preliminary Issue Report in connection with the Webinar have been or could be workably addressed outside the text of the UDRP framework itself.

In the debate surrounding the implementation of a PDP, one view was expressed that initiating a PDP at this time will *not* cause instability. We respectfully disagree with this conclusion and submit that initiating a PDP right now would cause instability with respect to the implementation of the RPMs for the new gTLDs. Those RPMs were drafted and comments sought on their effectiveness with reliance on the assumption that the current UDRP will be in place, and continuing to function as it always has, when the new gTLDs are launching. Indeed, the ICANN Board itself has made clear representations to this effect, including to the Government Advisory Committee (GAC).

Finally, we would like to express the concern that, during this time of unprecedented activity by ICANN staff, and members of the Internet Community, in preparing for and implementing the new gTLD procedures and policies, there simply are not enough available resources to effectively manage a PDP with full participation by all interested parties at this time. In her presentation at the 40th International ICANN Meeting in San Francisco on March 12, 2011, ICANN staff member Margie Milam, the author of the Preliminary Issue Report, raised concerns that a PDP effort would

require significant resources.¹⁷ A PDP process on the UDRP would require a significant investment of time and supporting staff, and the resources required to manage a robust PDP process, with a full and fair evaluation by all stakeholders, are simply not available at this time.

VIII. Summary

Thank you for considering our views on these important issues. For all the reasons discussed above, the INTA Internet Committee supports the Preliminary Issue Report recommendation against initiating a Policy Development Process on the UDRP. Should you have any questions regarding our submission, please contact INTA's External Relations Manager, Claudio DiGangi at: cdigangi@inta.org

About INTA & The Internet Committee

The International Trademark Association (INTA) is a more than 131-year-old global organization with members in over 190 countries. One of INTA's key goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. During the last decade, INTA has served as a leading voice for trademark owners in the development of cyberspace, including as a founding member of ICANN's Intellectual Property Constituency (IPC).

INTA's Internet Committee is a group of over two hundred trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.

¹⁷The presentation slide entitled "Issues Regarding PDP Scope" raises the concern of the resources required by the scope of the GNSO Council request and states, "GNSO Council resolution unclear whether to address issue narrowly i.e.- definition of cybersquatting or more broadly- to include process improvements and other aspects of the policy" and, in a second bullet point, "If broader, scope of issues raised by Community (as highlighted in this presentation) require extensive time and resources (volunteer and staff) to conduct PDP, compared to PDP with narrower focus." See <http://svsf40.icann.org/meetings/siliconvalley2011/presentations-rap-recommendations-12mar11-en.pdf> at 8.