

## Comments of NCUC's STI Members

To the ICANN Board, Staff and the wider Internet Community:

We welcome the opportunity to submit our comments to the recent work of the Special Trademark Issues (STI) team in relation to the overarching issues pertaining the relationship between trademarks and domain names. Like the rest of the stakeholders, we would like to commend the work and collaboration of the STI in submitting its proposals in such a tight timeframe and working under the realisation that the launch of the new gTLDs would be contingent on its recommendations.

In our view, the work of the STI should be evaluated under three pivotal standpoints: substantive, procedural and the effect it has upon the existing legal structures. Before proceeding in analyzing in more detail these three issues, we would like to bring to the attention of both ICANN and the wider Internet community that the recommendations produced by the STI constitute a compromise of all stakeholders involved – the idea of the recommendations were not to please any single constituency or stakeholder group, but instead to produce proposals that would work to the benefit all the constituencies, all the stakeholder groups, and indeed all users of the Internet --- and provide a fair balance for all parties, while serving balance and justice.

- **Procedural**

The structure of the Special Trademark Issues (STI) team should not be taken lightly. The STI was comprised by representatives of all ICANN's recognized constituencies (Non-Commercial, Business, Intellectual Property, Registries, Registrars, At-Large and ISPs), adhering this way to ICANN's mandate for inclusion and representation. The STI has acquired its legitimacy because of this very composition, an issue that was not addressed in the structure of the previous Implementation Recommendations Team (IRT) and one, which has cost much of the IRT's legitimacy. In this respect, we would like to commend ICANN for promoting a multi-stakeholder approach in the STI and for aligning itself with other multi-stakeholder models in other Internet governance arrangements.

What needs to be noted is that through the STI, ICANN demonstrated its willingness to create an inclusive and representative body and paid attention to the expressed concerns of the Internet community over the composition of the IRT. We would, therefore, like to congratulate ICANN for insisting in a multi-stakeholder model, the recommendations of which represent the views of a divergent set of actors, promoting different needs and concerns.

- **Substantive**

While we never wanted these pre- and post-launch mechanisms in the first place, we do fully support the recommendations made by the STI in relation to the Trademark Clearinghouse (TC) and the Uniform Rapid Suspension System (URS). We note that no new issues were raised in the comments. All of the issues were debated for days, hours and weeks by the STI – and we support the balance on both mechanisms as ones carefully crafted by the STI and fair to all registration authorities, registrants and the trademark owners who seek them.

We would like to briefly respond to some of the issues raised during the STI public comments period.

### ❖ *Trademark Clearinghouse*

One thing has to be clear: the creation of a Trademark Clearinghouse (Clearinghouse) creates a broad new pre-launch set of protections for Trademark Owners which is global in scope, far beyond the territorial limitations of any (and all) federally- and regionally- registered trademarks, and a huge new, innovative and broad policing and protection mechanism for existing trademark owners as they set out to protect their trademarks in existing gTLDs.

We note that the Clearinghouse also provides efficiency for Trademark Owners, Registries and Registrars as the process of creating Clearinghouses for registered trademarks now shifts from each new gTLD registry and each individual pre-launch to One Company, One Database and One Filing, all overseen by ICANN. As NCUC and NCSG, we believe we gave our fellow ICANN community members exactly what they were looking for --- and absolutely as much as we could within the bounds of “Fair Use” and “Freedom of Expression” protections of words and noncommercial use – principles enshrined in the trademark laws of all communities and UN members.

Thus, we respond briefly to two issues debated very actively and extensively in the STI and raised again in the minority reports and comments: why only federally registered marks and why the specific formula of identical match?

*A. The inclusion of only federally registered marks was a very conscious and purposeful one.*

We believe that the decision not to include common law marks in the final structure of the Clearinghouse was wise. Common law marks are particular in that they are recognized by a handful of jurisdictions across the world and, to this end, we foresaw that inclusion would create more problems and produce more burden (legal and administrative). At the same time, common law marks constitute particular marks, since almost every word that exists in the everyday language can be claimed as a common law mark. To this end, previous registration practices endorsed by Registries have demonstrated that no uniform rule exists concerning common law marks, because of their very particular nature.

For these reasons, the STI deliberated and decided that it would be a better practice to provide Registries and Registrars with the discretion to decide whether they would include common law marks in their pre-registration and Sunrise processes. And the STI's thinking did not stop there: acknowledging that some common law marks have to receive the recognition that has been given to them by courts of adjudication, the STI has uniformly decided to include court-validated common law marks within the TC.

*B. The inclusion of "identical match" technique as adopted by the STI comes from the IRT Report and incorporates far more than a mere traditional identical match.*

Given the uniqueness of domain names, the STI went beyond the definition of identical match seeking to accommodate the situations where textual elements of the mark are replaced by special characters or other symbols. We believe that the STI was very reasonable in its approach, since under traditional principles of trademark law, identical match means the exact visual and lexical depiction of the mark and is not even as broad as it is defined in the STI report.

### **❖ *Uniform Rapid Suspension System (URS)***

We never believed that the creation of the URS was justifiable enough – but we went along when we realized that there might be a way to provide “expedited process” “at a very low-cost rate” of “clear-cut” and “slam-dunk” “cases of abuse.” Our goals were to make the URS process: fair, with enough notice, balanced for all, with a fast decision for the applicants (trademark owners) and subject absolutely only to the type of clear-cut cases of abuse that did not require the more lengthy evaluation of court or the UDRP.

The STI, after inordinate time and attention by some of the world leaders in this topic, truly made great strides towards doing so. The balance and fairness of the URS, as presented by the STI, is threatened by a string of requests from one party (namely those who envision themselves as the Complainants, the filers).

One of the main issues addressed during the public comments period related to the possibility of the URS to offer an automatic transfer of the domain name to the winning complaining party. This has also been an issue that was extensively discussed within the STI and we decided against it.

The STI's overwhelming majority position to not allow transfer of the domain name after a successful URS proceeding is correct and is in conformity with basic principles of justice and due process.

We need to bear in mind that the URS is not a stand-alone system of adjudication, but one that complements the already existing Uniform Domain Name Dispute Resolution Policy (UDRP). The UDRP, which was conceived more than 10 years ago, was structured under the premise to provide a limited range of remedies to trademark owners, namely the transfer or cancellation of the domain name. On the contrary, the URS was conceived as a mechanism, utilised by URS examiners,

to evaluate domain name disputes under the more restricted premise of domain name 'locking'. This was intentional.

When the URS was proposed by the IRT as an additional protection mechanism for trademarks in the online world, the idea was that trademark owners would have at their disposal a two-step process – utilization of the URS for the 'locking' of the domain name and initiation of the UDRP to achieve its transfer or cancellation. Allowing, thus, an automatic transfer of the domain name after a successful URS process not only opposes the original idea behind the URS but it also displaces the already established process of the UDRP.

Moreover and given that the URS was not meant to allow the automatic transfer of the domain name – and this careful distinction between the URS and UDRP was not crafted by us, but by the IRT. They were correct: an expedited, “slam-dunk” process should be very different from the UDRP. Registrars, registries, NCUC/NCSG and IPC agree. This issue was critical to our agreement with the innovative URS concept.

We note that changing this procedural foundation – entertaining a URS transfer – will contradict the principles of justice and due process. The URS is structured upon the basis that each domain name dispute will be examined on the merits of 'locking' and not those of a transfer. In essence, what this means is that we cannot create a system, which promotes the incompatibility between process and remedy – it is contrary to principles of procedural justice to ask URS examiners to deliberate and issue decisions with one remedy in mind and then proceed to enforce a totally different one.

Thus, allowing automatic domain name transfer creates an extra-judicial step in the adjudication process, which is not authorised through the legitimization process of the URS examination.

It is for these issues of legitimacy and procedural justice that an automatic transfer of the domain name cannot take place within the URS.

- The effect of ICANN policies on trademark law

It is perhaps the first time that the balanced proposals of the STI team were in conformity with the basic principles of trademark law. This is an important development considering that all policies relating to trademark protection online should comply with the longstanding principles of trademark laws and regimes.

The philosophy of trademark law is consistent with the idea of striking a balance between mark protection and fair use; it is consistent with the notion that essentially what is protected is the goodwill of a product and/or service; it is, finally, consistent with the idea that consumers are not confused, giving them autonomy, however, to determine the parameters of this confusion in line with basic principles of competition law.

The STI took all these issues into consideration when drafting its recommendations. We were all aware of the limitations of trademark law in the Domain Name System (DNS) as we were also aware of the fact that cybersquatters constitute a threat for online trademarks. We worked hard and struck a balance between the legitimate rights of trademark owners and legitimate rights of domain name registrants.

We therefore urge the ICANN staff to stay within the careful compromise crafted by the STI. It makes sense!

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