



January 26, 2010

Dear Sirs,

Re: GNSO-approved "STI Report on Trademark Protection in New gTLDs"

The Arbitration and Mediation Center of the World Intellectual Property Organization (WIPO Center) is pleased to submit these comments on the "STI Report on Trademark Protection in New gTLDs" which contains proposals for a Trademark Clearinghouse (TC) and Uniform Rapid Suspension procedure (URS).

We support the concepts of the TC and URS; however, targeted adjustments must be made to better protect existing trademark rights, further minimize burdens on DNS stakeholders (registries, registrars, registrants, and trademark owners), and help ICANN meet aspirations in its Affirmation of Commitments, in particular promoting consumer trust and choice, and preserving the security and stability of the DNS.

Background on WIPO Domain Name Activities

The mandate of the World Intellectual Property Organization, an intergovernmental organization of 184 member States, involves the balanced protection of intellectual property rights. As ICANN stakeholders will no doubt be aware, for over a decade WIPO has addressed questions raised by the intersection of the DNS and intellectual property laws. The recommendations made in the Final Report of the First WIPO Internet Domain Name Process led to ICANN's adoption of the UDRP in October 1999.

The WIPO Center stands out as the leading UDRP service provider, having administered some 17,000 UDRP cases. It also makes publicly available at no cost, a searchable Legal Index and Overview of WIPO UDRP Panel Views. More recently, the WIPO Center proposed the now already successful WIPO eUDRP Initiative, implemented in December 2009 following ICANN Board approval. Beyond the UDRP, the WIPO Center is experienced in developing sunrise and other policies, and manages a ccTLD Program providing dispute resolution services currently for 62 ccTLDs.

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Internet Corporation for Assigned Names and Numbers
Mr. Rod Beckstrom, CEO and President
Mr. Peter Dengate-Thrush, Chairman, Board of Directors
Generic Names Supporting Organization

By email:
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The WIPO Center has provided substantial public and informal input on ICANN's New gTLD Program. This includes the substantive criteria and procedural rules for pre-delegation Legal Rights Objection disputes as found in ICANN's DAG; a WIPO-proposed Post-Delegation Procedure for New gTLD Registries; a complementary Expedited (Domain Name) Suspension Mechanism; substantive comments on the Draft and Final IRT Reports; and, comments on the ICANN-staff proposed Post-Delegation Procedure found in DAG, version 3.

Latest proposals lose sight of the goal of addressing trademark concerns.

Adequate protection of trademark rights was identified from the outset as one of the principal challenges presented by ICANN's New gTLD Program. We commend ICANN for defining trademark protection as an overarching issue, convening the IRT, facilitating global public consultations, the staff RPM proposals, and the recent STI effort. Nevertheless, many stakeholders remain unconvinced that the proposed mechanisms sufficiently address the vast potential for increased trademark abuse, the attendant high costs of defensive registrations, and broader brand enforcement burdens. For example, in its November 20, 2009 comments on DAG version 3, INTA states that notwithstanding the potential benefits, additional solutions are necessary to adequately protect trademarks in new gTLDs. Similarly, the GAC Seoul Communiqué confirms that many of its concerns, including for IP rights, "remain outstanding."

The New gTLD Program-related processes have to date consumed substantial resources. While representative bodies with substantive expertise have provided considered and consistent input, the impression exists that a narrow group of ICANN participants appear able to influence ICANN's deliberations in a manner which runs counter to the Affirmation of Commitments. The current constellation of processes calls for stable, level-headed deliberation. Where special interests translate into unworkable compromise, this will detract from the fundamental goal of minimizing rights abuse in the DNS without excessive need for court intervention.

ICANN consensus policies should respect international and national trademark laws and policies.

ICANN policy development related to the technical coordination of the DNS should respect international and national legal and policy instruments. As presently drafted, the STI Report *prima facie* permits registries and the URS to discriminate against jurisdictions that do not conduct "substantive review" of trademark applications (TC §§ 4.1, 5.2, and 6.2, Annexes 6 and 7). Presumably this is meant to exclude trademarks registered with national IP offices that do not conduct examination on relative grounds.¹ It may be noted that these offices routinely provide for

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¹ *E.g.*, Austria, France, Germany, Italy, Spain, Switzerland, the United Kingdom, Benelux, and the EC (OHIM).

opposition procedures achieving similar effect. The STI recommendation goes against the observation made by the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications in connection with the “Relation Between Opposition and Examination Procedures,” that neither approach (examination on relative grounds or opposition procedures) constitutes a preferred model.

Further consideration may be given to the implications of excluding protection of certain types of marks such as design marks (*e.g.*, where the textual elements attain acquired distinctiveness, where textual elements are not disclaimed, or where design elements consist of non-local scripts). To the extent non court-validated common law marks are to be included, this should be subject to the demonstrated satisfaction of reasonable threshold criteria.

Trademark owners should not shoulder the entire burden of financially supporting the TC.

The TC – and related RPMs – should balance registry operational realities while minimizing brand owner burdens. Owing to efficiencies from the availability of standardized data, the TC could be the backbone for a variety of possible RPMs but will also unquestionably yield domain name registration benefits and save legal costs. It is thus reasonable that (as advocated by the BC) registries and registrars should financially contribute to the TC.

Consideration should be given to making TM Claims available post-launch and extending them to confusingly similar matches.

TM Claims limited to identical matches at pre-launch provide limited benefit (*i.e.*, exactly one domain name per TLD), requiring brand owners to additionally engage curative mechanisms (*e.g.*, the UDRP, URS, or various court options). This is reflected in the BC and ALAC Positions calling to extend TM Claims beyond identical matches (a “match-plus”) *e.g.*, to domain names that include textual or word elements of a TC-validated mark, and also post-launch. Extending TM Claims in this manner seeks to facilitate informed real-time registrations and minimize increased brand enforcement burdens. It also reflects the naming realities in many of today’s infringing registrations. The operation of this mechanism may be balanced through the introduction in the TC Claims Notice of non-exclusive examples of both non-infringing and abusive uses.

Adjustments to the URS may yield enhanced efficiency and better complement the UDRP.

We support mandating the availability of a properly-designed rapid suspension mechanism as an expedited and cost effective complement to the UDRP. Although aspiring to this goal, in its current form the URS produces few net gains over the existing UDRP.

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For example, the STI-proposed URS (like the UDRP) provides for a 20-day answer period. Additionally, the STI-proposed URS (unlike the UDRP) provides registrants an opportunity to file an answer at any time during the life of the registration as part of a standard “grace-period” within the URS examination. Moreover, as this grace-period is not subject to any re-examination fee up to 30 days after a decision is rendered, this may be subject to abuse, and disincentivizes the filing of timely answers. This may impact panel availability and in effect requires re-examination of the case without remuneration.

Additionally, with full respect for the need for due process and appropriate safeguards, given the intended efficiencies of the proposed URS, as presently designed the URS appeals process would add significant complexity to what is intended to be a straightforward procedure. Specifically, we question the utility of an appeals process in cases of re-examination (i.e., under this scheme, a defaulting respondent effectively gets three chances to have their “clear cut” case heard), and in cases where a complaint is denied (as complainants would already have recourse to the UDRP or court of competent jurisdiction). In any event, to provide a degree of certainty for all parties, any appeals process should be time-limited.

One option offering a meaningful complement to the UDRP would be a default-based filtering mechanism (including important and appropriate safeguards) as described in the WIPO Center’s proposal for an Expedited (Domain Name) Suspension Mechanism.

Suspension for the remaining life of the registration is not an effective remedy.

Suspension for the balance of a domain name registration period provides a limited remedy of typically a few months, and may result in a “revolving-door” of URS filings. Even if brand owners may try the URS given its lower filing cost, sophisticated registrants may seek previously suspended domain names. Even a one-year extension is of limited benefit, and in any event, should not be on standard commercial terms, but should be made available on a cost-recovery basis.

A reserved names list (see, *e.g.*, the auDA Policy) may more effectively bolster the URS concept, in which case, to avoid unfair prejudice, there is scope for a *bona fide* third-party registration mechanism.

Further consideration should be given to the URS substantive criteria and consideration factors where these depart from those under the UDRP.

While the STI Report states that the URS elements are the same as those under the UDRP, we note that the STI proposal limits standing under the URS to trademark owners holding a “valid trademark registration issued by a jurisdiction that conducts substantive examination of trademark applications prior to registration”; the UDRP provides no such limitation.

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The STI proposal also introduces, in addition to the UDRP circumstances demonstrating registrant rights or legitimate interests, six registrant “safe-harbors” that would demonstrate the absence of bad faith. Issues of selection and phrasing aside, it should be considered how the inclusion of such rather practical guidance interacts with existing UDRP criteria and jurisprudence.

Proposed provider-related modalities should be reassessed.

Limiting accreditation to serious URS providers of proven professional integrity should go a long way to eliminating the need for impracticable modalities such as panel randomization (amongst multiple providers). ICANN can make a contribution by addressing instances where extrinsic motives induce provider disregard for the fundamental precepts of domain name dispute resolution.

In seeking balanced approaches to address trademark abuse in any expanded DNS, adjustments to proposed RPMs and also further RPMs should be explored.

We are encouraged that ICANN continues to recognize the need to address the vast potential for increased online brand abuse resulting from its present DNS expansion program. The WIPO Center looks forward to opportunities to collaborate with ICANN and DNS stakeholders to adapt the substantive and procedural modalities of such mechanisms.

We are posting a copy of this letter on the WIPO Center website for public information at <http://www.wipo.int/amc/en/domains/resources/icann/>.

Yours sincerely,



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Director

WIPO Arbitration and Mediation Center