

April 1, 2010

Dear ICANN,

I would first like to welcome the opportunity to submit comments on the revised ICANN proposals concerning the implementation of trademark protection mechanisms, namely the creation of a Trademark Clearinghouse (TMC), a Uniform Rapid Suspension (URS) system and a Post-Delegation Dispute Resolution Process (PDDRP). I would also like to commend ICANN for creating the Special Trademark Issues (STI) team to provide recommendations on how trademark issues should be addressed in light of the new gTLDs programme and the eminent expansion of the Root.

STI was tasked with a heavy duty – to recommend processes and address issues that sought to provide solutions to the benefit of both trademarks owners, non-commercial users and the wider DNS community. Despite the limited amount of time, STI managed to meet its targets and produce recommendations that achieved a legitimate balance between the conflicting interests of the trademark community and individual users. The work and results produced by the STI should not be taken lightly. Notwithstanding the fact that for some its recommendations were not ideal, in that they left some issues unanswered and subject to further deliberations, it has to be accepted that, in the history of ICANN, it has been perhaps the first time that trademark issues have been addressed by a multi-stakeholder body, following ICANN's bottom-up processes. The recommendations produced by this divergent group were based on compromise and, in their majority, have reached unanimous consensus. To this end, it is important to treat the work of the STI as one that has facilitated the application of justice and due process, has set in motion the introduction of substantive qualitative criteria in the protection of trademarks in the DNS and has, finally, addressed the parameters of the intersection between trademarks and domain names. Seeking to support the vision of ICANN towards the introduction of new gTLDs, the STI recommendations contain certain qualities (unseen and unheard in other ICANN-related trademark policies) – normative generality, substantive definiteness and permanence, all of which contribute significantly to the legitimacy of the STI's work and its final recommendations.

Through the amendments suggested, the revised ICANN staff proposals place the work and value of the STI in jeopardy; this has a further impact upon the bottom-up policies followed by ICANN. On a general note, the new proposals contain many language mistakes that misinterpret the STI's recommendations and can easily mislead the bodies that will eventually use these processes. This is a serious issue, considering that it is these proposals that will determine the *de jure* rights of the participants and their participation in the new gTLD process. Furthermore, some of the additions are arbitrarily inserted, with no justification or reason.

We have to be very careful and it is necessary that this time we get it right. Over the years, ICANN's trademark policies have received heavy criticism of being captured by trademark lobbying and interests; this criticism should not be perceived as being unjustifiable. The UDRP experience has taught us a valuable lesson: unless we create solid and carefully-balanced frameworks, we are in danger of assigning broad rights to trademark owners, where there is no justification to do so, jeopardize the rights of legitimate domain name holders and upset fundamental principles of trademark legality. WIPO and the trademark community have easily declared the UDRP as a success story, but the issue is far more complex.

It is mainly for this reason that the revised proposals should be carefully worded, artistically structured and remain within their original mandate. The goal here is not just to protect the trademark community and its rights; the goal is to submit to well-balanced proposals that will smooth the registration system and will pave the way for the increase of more participants in the registration environment. The STI operated on that basis; it operated under the presumption that the registration system will have to protect the existing rights but not to the expense of the creation of new ones. Everyone should be afforded the right to participate in the new gTLD process and this should be reflected in all of ICANN's new gTLD policies, including the one concerning the protection of trademarks.

More specifically and while adhering to the majority of the principles promoted by the STI, the Trademark Clearinghouse incorporates wording, which, at the same time, significantly departs from the STI's vision. For example, it suggests that 'ancillary services' can extend to include every single intellectual property right (p.2), when in the STI's mind these services only meant to relate to trademarks ('ancillary trademark services'); through the inclusion of all marks, regardless of jurisdiction (p.2), it seems to be encouraging the creation of 'trademark havens', which will pave the way for 'easy' registrations, which will further negate the rights of registrants (to an extent even those of existing trademark owners) and make their participation in the gTLD programme a difficult task; it differentiates between valid trademark registrations, negating the right of specific mark owners (those who hold valid trademark registrations incorporating a gTLD term – p.4), even though such rights have been assigned by legitimate Patent and Trademark Offices around the world; it fails to identify the need to incorporate within its structure international agreements, such as the International Class of Goods and/or Services (p.5). These are all critical issues and the fact that have been misinterpreted, wrongly phrased or omitted within this revised version suggests that the proposal for the TMC was not drafted with the idea of having a repository of information, rather with the notion that the TMC constitutes an additional tool for the protection of trademark owners. This is disappointing and dilutes the value of the TMC.

More important issues are being raised in the context of the Uniform Rapid Suspension system and the way it is presented in this revised version. Whereas the STI was very conscious in getting the URS wording right, now attention has not been paid to the language

of the rules and procedures, thus curtailing their procedural importance and substantive appearance within the system (for example, the pointless replacement of STI's "Safe Harbor" terminology with the word "Defenses" or the poor wording of section 5.8, which changes the whole meaning of the sentence by inserting bad faith when it is really about the good faith of the Registrant). Moreover, the revised procedural aspects of the policy operate under a presumption of guilt for the Registrant ("Given the nature of expected disputes in this venue, it is thought, **more often than not**, that no response to complaints will be submitted... p.3) and create an illegitimate moral dependency upon trademark owners and their wishes (s. 5.2: "Upon request by the Registrant, a limited extension of time to respond may be granted by the URS Provider if there is a good faith basis for doing so and it does not harm the Complainant", p.4).

The worst aspect of this version of the URS is that it seems to be limiting the procedural rights of the Registrants. In particular, the interpretation of default as being based also upon a mistake during the filing of the response (s. 6.1 "If the answer is determined not to be in compliance with the filing requirements, Default is also appropriate") is illegitimate. In most of the cases, Registrants represent themselves, operate under confined deadlines and English is not their first language. Should we not, at the very least, recognize these difficulties and give Registrants the benefit of the doubt?

But, to an extent this new version of the Policy seeks to restrict the subject matter of the disputes as well as the remedies against the losing party. This is good, as long as Examiners adhere to it. For the STI, this was achieved through the 'Safe Harbors', the option of an internal appeals process, through the 'Abusive Complaints provision (which needs to return to the STI's wording since it contains a lot of language errors and is unnecessarily confusing) and, finally, through the mandatory review of the URS. This last provision of the STI, which received unanimous consensus and it would eventually determine the success of the URS, was 'skilfully' omitted from this version without any justification.

All these issues will certainly have an impact on the new gTLD programme. How is ICANN expecting to receive the trust of individual users, if it fails to respect their rights and demonstrate that it has learned from past mistakes? How will the wider Internet community trust the new gTLD registration environment?

The Post-Delegation Dispute Resolution Policy (PDDRP) answers this. The PDDRP provides for a mechanism, whose effects, unless carefully considered and reviewed, can have an impact upon the registration culture and the trust it currently enjoys. The Policy is bad – it fails to take into account important factors like the direction it pushes Registries towards, the implications this will have upon the creation of a highly trademark-oriented registration environment and how unsafe and fragile this procedure is.

The STI recommendation paved the way towards the direction of a balanced approach. The STI's recommendations were the result of a multi-stakeholder team, representing all

interests in the DNS and ICANN. There were no winners and no losers – there was a balance. I hope ICANN endorses the STI's work and ensure that the insertions of version 4 of the Guidebook reflect this balance.

I hope you take these comments into consideration. Thank you.

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