

Demand Media comments on the Trademark Clearinghouse and Uniform Rapid Suspension Rights Protection Mechanisms for new gTLDs

We are pleased to see that the discussion regarding Rights Protections Mechanisms (RPMs) in new gTLDs is nearing a close. We are confident the final result will be an effective new regime of trademark protections for new gTLDs---a regime with stronger protections than currently exist in .COM and most of the other gTLDs.

We appreciate the amount of effort the ICANN Board, Staff, GNSO and general community has undertaken to reach the point we are at today. We are not at the awards ceremony yet, so it's not yet time for bows of gratitude, but we applaud the ICANN community for coming together to work on and provide sensible solutions to an issue of concern for many in the community. Even with all the congratulations being passed around, we would like to point out the proposed new procedures are not perfect. However, they are a marked improvement over current policy and we should not let the perfect be the enemy of the good. Most importantly, we should not prolong the process searching for the magical comment that will erase any final degree of uncertainty or disagreement. Now is the time for the Clearinghouse and URS to be finalized and drafted into the Applicant Guidebook.

TRADEMARK CLEARINGHOUSE

We think the Trademark Clearinghouse is sound and practical to implement and ICANN should immediately commence work to select a Clearinghouse provider. Members of the community, including the IRT, have pointed out that the costs for protecting trademarks in the domain name system need to be reasonable. The Clearinghouse will help to minimize costs by providing a one-stop shop of sorts for trademark validation that will result in lower costs and greater efficiencies for trademark owners participating in Sunrise or IP claims processes. The cost savings will be especially meaningful if the trademark holder is seeking trademark-protected domain names from more than one registry that must, pursuant to their registry contract, use this singular Clearinghouse. A competitive selection process for the Clearinghouse based on price, service and experience should also help to keep costs and hassles down for trademark owners.

We believe the requirement that the selected Clearinghouse provider separate its two functions (authentication and data provision) is fine and the requirement for the Clearinghouse to maintain a database separate from its other services is reasonable. The Clearinghouse should not be under the control of ICANN but should be subject to meaningful audits so all users, both trademark holders and registries, have confidence in its work and integrity.

The community has been wrestling with the issue of what sorts of trademarks should be eligible for the sunrise or IP claims service via the Clearinghouse. Specifically, a sticking point has been whether trademarks from countries that do not conduct substantive trademark examination should be required to be recognized by registries. We believe the compromise suggested by

ICANN—for an additional validation process for trademarks from countries that do not conduct substantive review---is a good way forward. Thus, a new gTLD registry conducting a required IP Claims or sunrise process could choose, based on what works best for their particular type of registry.

It is important to note that the Clearinghouse will be a storage facility and not a policy determination facility. It will be a database that simply accumulates, validates and organizes data. The bottom line with the Clearinghouse is that it will bring needed efficiencies to an RPM regime for new gTLDs.

URS

We think the URS has the potential to be an effective rights protection mechanism as it is focused on actual infringement, as opposed to the possibility of infringement. We think the URS as modified by the GNSO and ICANN staff is appropriately designed for cases of clear and actual infringement of a mark holder's rights. The fact that the URS is based on actual use of the domain (typically with a website or email) as opposed to solely the registration of a name, is the only reasonable standard for a fast and inexpensive judgment.

We believe the pricing and thresholds for instituting a URS proceeding have been discussed at great length and the current proposal should allow for quality decisions by the URS evaluator while deterring significant abuse or harassment of domain name owners. The latest proposal has settled on an appropriate burden of proof for the complainant and provides meaningful defenses for the registrant. Additionally, the remedy (suspension for the remainder of the registration period plus an option for the complainant to extend for another year) is a fair balance of the various ideas that have been subject to community debate.

We realize that the “appropriate” fee to accompany a URS complainant is still under consideration, but we think ICANN and the community has set a mark of roughly \$300 that any potential URS provider would be wise to shoot for if they want the business.

Regarding “oversight” of URS providers, Section 7.2 of the current draft states “ICANN should discourage forum shopping among URS providers through its URS implementation and contracts.” The STI recommended an annual review/audit of URS providers and we believe it should be clear that “URS implementation and contracts” includes an annual audit of each URS provider's case work. We think this is important to ensure that providers are even-keeled considering some have argued that there is an inherent incentive for URS providers to side with complainants in order to encourage more complaints that generates additional revenue for the provider.

CONCLUSION:

The Trademark Clearinghouse and URS add meat to the strong bones of the already agreed upon RPMs for new gTLDs---mandatory participation in the UDRP, mandatory top level legal rights objection, mandatory requirement that applicants detail measures to reduce abusive registrations, mandatory centralized, and thick whois for registries and mandatory implementation of a Sunrise or IP Claims process. Taken together, this RPM regime will be a significant improvement over the protections and remedies trademark holders currently have in other gTLDs. Trademark concerns have been discussed extensively and have been addressed in a fair and efficient manner that doesn't stifle innovation, choice and a robust domain industry. We strongly urge ICANN to finalize all RPMs in the upcoming DAG 4 and proceed to launch of the new gTLD program.

Sincerely,

Jeffrey Eckhaus
SVP Platform
Demand Media