

Comments of the Intellectual Property Constituency ("IPC") to the February 15, 2010 Revised Draft Uniform Rapid Suspension System Procedure

The IPC welcomes the opportunity to comment on the 15 February 2010 Revised Draft Uniform Rapid Suspension System Procedure ("Revised Draft"), which is a revised draft of the December 11, 2009 STI proposals that built off of the work of the Implementation Recommendation Team's ("IRT") proposed Uniform Rapid Suspension System ("URS").

The IPC appreciates the work done by the STI and its attempts to balance a number of differing opinions on the question of the URS. Indeed, the IPC submitted comments on the December 11, 2009 STI draft in an attempt to provide continued guidance to the STI and the ICANN community as to the needs of the intellectual property community. As noted in our comments to the December 11, 2009 draft, significant progress on the overarching issue of trademark protection has been made since March 2009, but the IPC still does not consider the issue to be "adequately addressed" as it stands. Indeed, the IPC notes that none of its comments or recommendations appears to be reflected in the Revised Draft.

The IPC continues to believe that the URS, if properly implemented, will be an important remedy for brand owners to effectively and efficiently address clear-cut cases of abusive domain name registrations. However, the IPC believes that the Revised Draft continues to make it far too easy for serial cybersquatters to manipulate the system. ICANN must address these vulnerabilities in order for the URS to have the intended deterrent effect on abusive registrations.

A. Successful Claimants Should Have Option to Further Extend and Purchase a Suspended Domain Name

The IPC reiterates its concerns in connection with potential remedies set forth in the Revised Draft. Namely, the Revised Draft continues to provide that the sole remedy for a successful URS complainant is that the subject domain name is placed in a locked state for the life of the registration, which may be as little as a few months. The Recommendations further provide an option for the successful complainant to pay to extend the registration period for one additional year at commercial rates.

After expiration of the registration period (and the one-year extension, if chosen), the domain name will be publicly available for registration. Given the reality that most abusive domain name registrations are commonly re-registered by automated registration programs and individuals looking to monetize the once-registered domain name as soon as it has been released, the IPC believes that this remedy is insufficient to fully resolve the problem the URS is designed to address. The IPC believes that the better approach would be to allow the successful Complainant to pay a reduced fee in order to keep the domain suspended for one additional term equal to the initial registration term and, at the end of this additional period of suspended registration, allow the successful

complainant the opportunity to purchase the domain name before it is returned to the pool of available domain names. The IPC notes that this is the same remedy provided in the Final IRT Report.

Finally, the IPC agrees that the holding page a domain name will route to in instances of a successful URS complaint should not be used for any purpose but to provide a visitor with information on the URS itself and should not include any advertisements or be used for any other purpose but notes that there should also be a statement that the site in question has been subject to a successful URS proceeding in addition to providing general information on the URS.

B. Appeals within the Uniform Rapid Suspension System

The IPC reiterates its concerns in connection with the appeals process set forth in the Revised Draft. As conceived by the IRT and the STI, the URS is designed to offer quick action for particularly egregious cases of abusive domain name registrations. The IPC is concerned that including an appeals process *within* the URS defeats the purpose of the system. Allowing the owners of abusive registrations to drag out the process through an appeal will greatly diminish the URS. The IPC believes that an aggrieved party (whether registrant or complainant) should have the right to proceeding *de novo* in a court of competent jurisdiction.

However, should ICANN implement an appeals process within the URS, the IPC continues to support the procedure that the domain name should remain “status quo” during the appeal. Simply put, if the registrant appeals: the domain name should not automatically be redirected to the registrant’s name servers. In addition, the fee for the appeal will of necessity be considerably higher given the extra consideration necessary, as in theory the fact that an appeal has been brought is an indication that the facts are potentially more complex and the issues not “clear cut”. Thus in our view, any appeal would need to have a fee at least on the level of that for a UDRP decision. This would also then allay to an extent concerns regarding gaming the system by appeal as it should thwart manipulation of the URS by bad actors.

C. Fees for Multiple Domain Names

The IPC reiterates its comments regarding Fees for Multiple Domain Names. The Revised Draft continues to make no mention of any fees payable by a domain name registrant when filing an answer to a URS complaint. The IPC believes that the fee mechanism set out in Section 5 of the IRT final report requiring a registrant to pay a fee to file a response when more than 26 domain names are at issue is the best model to assist in thwarting manipulation of the URS by serial bad actors.

D. Penalties for Abuse of the URS

The IPC continues to support the process of allowing registrants to file counterclaims alleging abusive complaints or complaints filed for improper

purposes as this will be a strong means to deter complaints that are frivolous, harassing, or without merit by parties without legitimate rights in a mark. However, the IPC agrees with the Revised Draft that when implementing the URS, the ICANN staff must clarify what constitutes “abuse” by trademark owners. At a minimum, the IPC urges ICANN to specify that a complainant is not deemed to have filed an abusive complaint solely because a complaint is denied or because a complainant seeks to enforce its rights regularly and vigorously through the URS. The IPC recommends that ICANN look to the definition of Reverse Domain Name Hijacking (“RDNH”), which is defined in the UDRP Rule 1 as “using the Policy in bad faith to attempt to deprive a registered domain-name holder of a domain name.”

The IPC also believes that any penalty mechanism designed to thwart abuse must be reciprocal. In short, the IPC urges ICANN to design penalties for domain name registrants who regularly abuse the system.

Finally, the IPC is confused as to Paragraph 11.2, which indicates, “In the event a party is deemed to have filed two (2) abusive complaints, or one (1) “deliberate material falsehood,” that party shall be barred from utilizing the URS for one-year following the date the last of the three Complaints was determined to be abusive.” The reference to “the last of the three Complaints” appears to be incorrect in this context or requires clarification.

III. Conclusion

The IPC continues to be of the view that the Revised Draft needs modifications as proposed above. As recognized by ICANN in its public statements, trademark protection is an essential and integral part of each and every new gTLD launch. If trademarks are not sufficiently catered for, the result will be a resort to litigation in the Courts, we will likely see increased costs for registry operators defending such actions, with the potential for new gTLD launches to be delayed, and even registry operators finding themselves forced out of business. However, if trademarks are sufficiently protected, by appropriate mechanisms that are timely, efficient and fair, we can look forward to litigation free launches and minimal abusive registrations, which are what the registry operators, registrars, brand owners, ICANN, and, ultimately every good faith end user or consumer wants.

The Revised Draft continues to represent significant steps towards this and the IPC recognizes the enormous efforts of the teams who have come together to work on this critical issue. We reiterate that we are of the view that with the modifications proposed here we have a mandatory minimum that is acceptable on the question of the URS. And we continue to stress the fact that ICANN should ensure that there is a periodic review of the efficiency of the implementation and we would suggest that this be carried out 12 months after the launch of the first new gTLD. This review should involve members of the original IRT if they are so willing and able.