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Lausanne, 20 November 2009

NEW gTLD APPLICANT GUIDEBOOK VERSION THREE:
Proposed Rights Protection Mechanisms in New gTLDs

Dear Sir/Madam,

The International Olympic Committee (the "IOC") submits this letter in response to ICANN's invitation for public comment on the New gTLD Applicant Guidebook Version Three and the proposed rights protection mechanisms in New gTLDs.

I. INTRODUCTION

With each step along ICANN's march toward implementation of new gTLDs, the IOC has taken the opportunity to voice its serious concerns.¹

- ***The IOC Maintains Its Strong Opposition To The New gTLD Program.***

ICANN has pitted itself, registries, and registrars – all of whom stand to gain from an unlimited expansion of gTLDs – solely against trademark owners – who face impossible enforcement costs posed by the threat of trademark abuse in new gTLDs. Those costs would be worse for non-profit trademark owners like the IOC. It is inappropriate to force non-profit entities like the IOC to divert time and financial resources from their missions to preventing trademark abuse in the gTLD System.

Moreover, the New gTLD Program must not proceed while there remain unresolved issues on economic need and trademark protection. Despite the urging of this system, no one has shown any solid or substantial basis for concluding that it is truly needed.

- ***The IOC Is Disappointed With The Way ICANN Has Addressed Trademark Protection In New gTLDs.***

When ICANN released the First Draft Applicant Guidebook on 24 October 2008, only a glimmer of trademark protection was provided through pre-delegation Legal Rights Objections. A responsive outcry came from trademark owners insisting on measures to screen out infringing domain names, to reduce costs of defensive domain name registrations, and to shift costs to respondents in Legal Rights Objections.

¹ See IOC comments of 5th December 2008 and 9th April 2009 on the first and second Draft Applicant Guidebooks respectively; See also IOC comments of 6th May 2009 and 6th July 2009 on the preliminary and final reports of the Implementation Recommendation Team.



Moreover, the IOC asserted that ICANN's guidelines should explicitly acknowledge its unique and preeminent intellectual property rights in the Olympic Trademarks.

ICANN staff responded by "evaluating a number of options for further enhancing the mechanisms available within the processes for trademark rights holders [which] must also take into account the interests of non-trademark holder applicants." ICANN also conceded that "[i]t may be necessary to adopt formal steps to address issues of particular concerns to the community."²

When ICANN released the Second Draft Applicant Guidebook on 18 February 2009, the Guidebook still only reflected a pre-delegation Legal Rights Objection. Trademark owners responded with a unified outcry for stronger protection for brand owners, clarification of potential trademark protection systems and reevaluation of the New gTLD Program in light of these trademark concerns. The IOC again asserted that ICANN's new policy should expressly provide for a list of reserved Olympic Trademarks, just as ICANN has reserved its own marks.

In response, the ICANN Board of Directors commissioned the Implementation Recommendation Team, with tight deadlines to produce a preliminary and final report on trademark protection. The team was commissioned in March, and its final recommendations were due in early May.³

Ultimately, the Implementation Recommendation Team proposed four meaningful rights protection mechanisms: (1) an Intellectual Property Clearing House, including a Globally Protected Marks List; (2) a Uniform Rapid Suspension System; (3) a Post-Delegation Dispute Resolution Process; and (4) "Thick" Whois Requirements.

When ICANN released the Third Draft Applicant Guidebook on October 4, 2009, it surprised the trademark community with its response to the Implementation Recommendation Team's proposals. (1) It relegated the IP Clearinghouse for consideration by the Generic Names Supporting Organization. If that Organization did not reach consensus on the IP Clearinghouse within two months, the ICANN board would unilaterally determine whether, and, if so, how the Clearinghouse might be included in the new gTLD implementation." (2) It vetoed the Globally Protected Marks List – which was requested by an overwhelming majority of the trademark community. (3) It watered down the Uniform Rapid Suspension System by recommending it as a Best Practice and relegating it to the same fate as the IP Clearinghouse. (4) It distanced itself from the Post-Delegation Dispute Resolution Process instead of taking an active part in enforcing its own Registry Agreements. And (5) it affirmed its prior adoption of the least contentious mechanism, a "Thick" Whois requirement.

² ICANN, *New gTLD Draft Applicant Guidebook: Analysis of Public Comment*, available at <http://www.icann.org/en/topics/new-gtlds/agv1-analysis-public-comments-18feb09-en.pdf> (18 February 2009).

³ The trademark community, and Implementation Recommendation Team especially, sought reassurance that if at a time of scarce resources they expend time and money to propose rights protection mechanisms, then the process will result in a product that will be acted upon. ICANN, *New gTLD Draft Applicant Guidebook-Version 2: Analysis of Public Comment*, available at <http://www.icann.org/en/topics/new-gtlds/agv2-analysis-public-comments-31may09-en.pdf> (31 May 2009).



ICANN has raced forward toward gTLD implementation, and the financial gains it promises, but it has not taken the time to move forward with meaningful trademark protection in new gTLDs.

Trademark owners have long been held hostage by cybersquatting. Indeed, the newly empowered Governmental Advisory Committee has stressed “the need for more effective protection of intellectual property rights” and the “lack of analysis of end user confusion and/or harm.”⁴ In the hope that ICANN will help alleviate this plight in new gTLDs, the IOC submits the following comments.

II. COMMENTS

A. The Trademark Clearinghouse (Formerly IP Clearinghouse).

The IOC lends qualified support to the Trademark Clearinghouse, in principle, as a meaningful service to provide notice to trademark owners of infringing second level registrations, as well as facilitate “sunrise” registration periods. However, in its current form, the Trademark Clearinghouse is deficient in several respects.

- ***The Trademark Clearinghouse Must Recognize Special Statutory Trademark Protection.***

The IOC has detailed, in great length, the unique nature of and global protection for the Olympic Trademarks (including OLYMPIC, THE OLYMPICS and OLYMPIAD), as well as the special circumstances of non-profit entities like the IOC.⁵

In the United States, the Olympic and Amateur Sports Act (36 U.S.C. §220501 et seq.) specifically prohibits any unauthorized commercial or promotional use of the words OLYMPIC and OLYMPIAD, as well as any simulations or derivations thereof.⁶ “In the special circumstance of the USOC, Congress has a broader public interest in promoting, through the activities of the USOC, the participation of amateur athletes from the United States in ‘the great four-yearly sport festival, the Olympic Games.’”⁷ The Olympic and Amateur Sports Act “directly advances these governmental interests by supplying the USOC with the means to raise money to support the Olympics and encourages the USOC’s activities by ensuring that it will receive the benefits of its efforts.”⁸

The same is true globally. The Olympic Trademarks are protected by national legislation in a myriad of countries including, Argentina, Austria, Australia, Canada, China, France, Belgium, Brazil, Chile, Costa Rica, Czech Republic, Ecuador, Greece, Guatemala, Hungary, Lebanon, Luxembourg, Mexico, Poland, Portugal, Puerto Rico, Romania, Russia, Slovak Republic, South Korea, Spain, Turkey, the United Kingdom, the United States, Uruguay and Venezuela. Such special statutory protection directly advances, through the activities of the IOC’s National Organizing Committees, the participation of amateur athletes from across the globe in the now two-yearly sport festival, the Olympic Games.

⁴ Governmental Advisory Counsel, *GAC Communiqué – Sydney*, available at <http://www.umic.pl/images/stories/Sydney%20communiqué%20vFINAL.pdf> (29 October 2009).

⁵ See IOC comment 6 July 2009 and attached exhibits.

⁶ 36 U.S.C. §220501 et seq.

⁷ *San Francisco Arts & Athletics, et al. v. United States Olympic Committee et al.*, 483 U.S. 522, 538 (1987).

⁸ *Id.* at 539.



The non-profit mission of the IOC is dedicated toward “promot[ing] Olympism throughout the world and lead[ing] the Olympic Movement.”⁹

Among other noble missions, the IOC strives to “endeavor to place sport at the service of humanity and thereby promote peace”; “encourage and support the organization, development and coordination of sport and sport competitions”; “dedicate its efforts to ensuring that, in sport, the spirit of fair play prevails and violence is banned”; “oppose any political or commercial abuse of sport and athletes”; “encourage and support the promotion of ethics in sport as well as education of youth through sport”; “ensure regular celebration of the Olympic Games”; and “promote a positive legacy from the Olympic Games to the host cities and host countries”¹⁰

Such global statutory protection and non-profit status warrant proper recognition by ICANN and by the Internet community – in the form of a reserved names list for the Olympic Trademarks.

The proposed “Globally Protected Marks List” may have failed due a perceived inability to establish applicable criteria. However, it is ironic that ICANN – which is also a non-profit organization – plans to implement new gTLDs while placing only its own trademarks – which do not enjoy special statutory protection – on a reserved names list.

- ***Trademark Owners Should Not Be Forced To Fund The Clearinghouse.***

ICANN, Registries and Registrars stand to benefit financially from the implementation of new gTLDs with a disappointing indifference toward the undue enforcement burdens that will be placed on owners of famous trademarks. It is clear that cybersquatters eagerly anticipate a virgin frontier in which to expand their piracy.

ICANN is securing its long-term financial future with the New gTLD Program through application fees and fees under Registry and Registrar Agreements. Registries and Registrars are poised to receive payment for each and every second-level registration. It is only fitting that the Trademark Clearinghouse be funded *entirely* by these parties and not by trademark owners.

- ***The Trademark Clearinghouse Should Consider Internationalized Domain Names In Conjunction With ASCII Scripts.***

The New gTLD Program includes Internationalized Domain Names.¹¹ Accordingly, the Pre-Launch Trademark Claims Service under the Trademark Clearinghouse should also accommodate Internationalized Domain Names.

For example, when a registrant seeks to register a non-ASCII domain name (e.g. Олимпийская – Russian Cyrillic for “OLYMPIC”) the registrar should notify the registrant that the name is identical to a trademark included in the clearinghouse (e.g. OLYMPIC).

⁹ IOC, *Olympic Charter*, available from http://www.olympic.org/Documents/olympic_charter_en.pdf (7 July 2007).

¹⁰ *Id.* at 14-15.

¹¹ ICANN, *IDN Fact Sheet*, available from <http://www.icann.org/en/topics/idn/factsheet-idn-program-05jun09.pdf> (last visited 6 November 2009).



B. The Uniform Rapid Suspension System.

- ***Adherence To The Uniform Rapid Suspension System Must Be Mandatory.***

A Uniform Rapid Suspension System that is recommended as a Best Practice is a rights protection mechanism that is ineffective. Indeed, the debate on this point at ICANN's Seoul, Korea meeting was characterized by agreement from the Generic Names Supporting Organization. All interested stakeholders agree that the Uniform Rapid Suspension System must be mandatory.

"I do believe that the URS should be mandatory ... I hope it's made mandatory because I believe on the balance, ... it's in the interests of the Internet community. But please do not make it optional. It is really unfair to do that," said Jeff Neuman, Vice President of Law and Policy for NeuStar (October 30, 2009). "[T]he GNSO should report back to the staff and the board, in our view, with a recommendation for an effective URS. Yes, that is mandatory for it to have its full effect ..." agreed Steve Pinkos of ENUM (October 30, 2009).

- ***Limited Duration Of Domain Name Suspension Is Not A Meaningful Remedy.***

The Uniform Rapid Suspension System creates an unreasonable situation in which trademark owners face increased costs in filing repetitive complaints for the same domain names after a locked registration expires. Indeed, the World Intellectual Property Organization has argued that "the proposed remedy would not appear to meaningfully address the burdens on trademark owners" and this " 'remedy' is of limited effectiveness, lasting in most cases no more than a few months."

The URS must be revised to strengthen this remedy so that infringing domain names will not be resurrected. Though domain name transfer may not be a feasible remedy under the Uniform Rapid Suspension System, it should at least incorporate some mechanism to place subsequent registrants on notice of prior successful actions.

- ***A Draconian "Three Strikes" Policy Ignores Practical Considerations And Should Be Dropped***

The IOC stands by its original assertion that the "three strikes" policy pays no regard to the sheer amount of infringement that a famous trademark owner suffers on a regular basis. Moreover, the IOC knows of no other enforcement policy in the world that periodically suspends a trademark owner's right to enforce their valid, registered trademarks.

In contrast to the Post-Delegation Dispute Resolution Policy, the Uniform Rapid Suspension System will likely see a myriad of complaints filed because there are simply more registrants than registries. No "strike" policy should be implemented under the Uniform Rapid Suspension System, but if it is, it should also account for the number of successful challenges brought by a trademark owner.

C. The Trademark Post-Delegation Dispute Resolution Process.

The IOC lends qualified support to Post-Delegation Dispute Resolution Process, in principle, as substantial step toward discouraging registry-level malfeasance in new gTLDs.



- ***It Is Appropriate To Deny Panel Review In Instances Of Respondent Default And To Maintain A System Of “Loser-Pays” Cost Allocation.***

Malicious intent – on the part of potential gTLD registry operators – to profit from systemic registration of infringing domain names or otherwise misuse gTLD registries, is especially troubling. In all likelihood, risks of registry abuse will be significantly increased by the New gTLD Program. This type of registry level corruption would not just trickle down, but pour down, to registrars and registrants in the gTLD – resulting in a hierarchy of cyberpiracy.

To avoid this risk, panel review should be denied when the respondent defaults, and costs should be refunded to prevailing parties.

- ***ICANN Must Not Attempt To Shirk Responsibility In Enforcing Its Contracts with Registry Operators.***

At least one commentator has argued that ICANN has removed itself entirely from the Post-Delegation Dispute Resolution Process.¹² The IOC agrees – “[w]hy should an aggrieved third party have to spend money in an arbitration-type proceeding when ICANN could simply do its job and enforce the Registry Agreement?”¹³

Like most trademark owners in the Internet community, the IOC feels strongly that ICANN needs to do a better job enforcing its agreements, not only with registries, but with registrars. ICANN should take a larger role in the Post-Delegation Dispute Resolution Process, rather than passing the entire onus on to trademark owners.

D. “Thick” Whois Requirement for New gTLDs.

- ***ICANN Should Enforce Current Registrar Accreditation Agreements And Set Universal Proxy Standards Before Opening The Domain Name Floodgates.***

Although ICANN accredited registrars are already contractually obligated to display a “thick” set of data for all sponsored registrations, ICANN has been widely criticized for failing to enforce these obligations. Whois information is notoriously inaccurate or incomplete.

Current proxy registration practices add to Whois inaccuracies. In fact, certain registrars have been alleged to collude with cybersquatters in listing fictitious registrants for domain names that incorporate or imitate registered trademarks.¹⁴

While it is true that “being able to access the thick data at both the registry and registrar level will ensure greater accessibility of the data”, that alone is inadequate to remedy the infirmities of the current Whois model. Greater accessibility to Whois information will not necessarily result in greater accuracy of Whois information.

ICANN must take responsibility and enforce its Registrar Accreditation Agreements to ensure accurate Whois information. ICANN must also set, and enforce, universal proxy

¹² See Jeff Neuman, *Comment on Post Delegation Dispute Resolution Process* (October 7, 2009).

¹³ *Id.*

¹⁴ See e.g. *Transamerica Corporation v. Moniker Online Services, LLC*, Case No. 0:09-cv-60973-CMA (S.D.Fla. August 28, 2009).



standards. Merely studying the issue, while marching forward with an unbridled gTLD expansion, displays a serious disregard for the interests of trademark owners.

E. Potential Limited Release of City gTLDs.

Recently, Mr. Peter Dengate Thrush – Chairman of the ICANN Board of Directors – stated that “[t]here aren’t obvious trademark problems arising from the names of key capital cities of the world ... [s]o it could be that, if we come to a problem where we’re still struggling to solve all aspects of IP right protection, we may go to some [types of application] that don’t have those problems.”

Contrary to Mr. Thrush’s assertion, names of key capital cities of the world raise clear trademark problems for entities with trademarks comprised partially of city names.

Trademarks like the IOC’s “LONDON 2012 SUMMER OLYMPIC GAMES” or “VANCOUVER 2010 WINTER OLYMPIC GAMES”, and other marks including “LLOYDS OF LONDON”, “NEW YORK YANKEES”, “PHILADELPHIA PHILIES”, “SAN FRANCISCO FORTY NINERS” and “LOS ANGELES LAKERS” would be plagued with infringing second-level domains in their respective city gTLDs.

In sum, if the New gTLD Program is permitted to proceed at all, adequate trademark protection must be in place before *any* implementation.

III. CONCLUSION

Subject to the foregoing, the IOC maintains its position that ICANN’s New gTLD Program is inherently flawed and injurious to owners of famous trademarks – particularly non-profit trademark owners. But if the New gTLD Program does proceed, the IOC wishes to stress the need for a reserved list of Olympic Trademarks.

Again, the IOC’s recommendations should not be taken as a waiver of the IOC’s right to proceed against ICANN for damages resulting to the IOC or the Olympic Movement from the implementation of the New gTLD program.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Urs LACOTTE", is located below the "Yours Sincerely," text.

Urs LACOTTE
Director General

A handwritten signature in blue ink, appearing to read "Howard M. Stupp", is located to the right of Urs LACOTTE's signature.

Howard M. Stupp
Legal Affairs Director