



Comments of ECTA, the European Community Trade Marks Association and MARQUES, the Association of European Trade Mark Owners on ICANN's New gTLD Applicant Guidebook, third draft.

22 November 2009

Introduction

ECTA and Marques thanks ICANN for the opportunity to comment on the second draft of the New gTLD Applicant Guidebook.

The ECTA Internet Committee and the MARQUES Cyberspace Team have been separately monitoring the ICANN new gTLD process for over two years. As the process is now reaching a critical stage for rights owners, ECTA and MARQUES have decided to combine resources for the first time in their histories. Intellectual property rights owners across Europe, both in their own name and on behalf of the millions of consumers who depend on their rights, call upon ICANN to fulfil the pledge made by Rod Beckstrom, President and CEO of ICANN on 29 September 2009 when he declared, "ICANN will to the extent possible protect trademark holders from an abusive domain registration and from the need for defensive registrations in the new gTLDs"¹. Until or unless adequate measures to protect the rights of others are incorporated into the new gTLD process, there should be no expansion of the gTLD name space.

About ECTA and MARQUES

ECTA is the European Communities Trade Mark Association. ECTA numbers approximately 1,500 members, coming from the Member States of the European Union, with associate members from all over the world. It brings together all those persons practising professionally in the Member States of the European Community in the field of trade marks, designs and related IP matters.

MARQUES represents trade mark owners across Europe who together own more than two million domain names (a conservative estimate). These domain names are relied upon by consumers across Europe as signposts of genuine goods and services.

¹ <http://www.circleid.com/pdf/Letter-from-Rod-Beckstrom.pdf>

Overarching Issues

We have consistently voiced our concern at ICANN's plan to introduce an unlimited number of new gTLD extensions in an unstructured process that could expose the consumers that depend upon trade marks to confusion, and trade mark owners to unnecessary risk and expense policing the trade marks on which consumers rely. Many of our members are of the belief that it is the family of ICANN (registry operators and registrars) who stand to profit from new gTLDs who have been driving the process forward despite often voiced concerns from the IP community that the overarching issues (Malicious behaviours, Security & Stability, Economic Impact and Rights Protection) identified by ICANN have yet to be adequately addressed.

Malicious behaviours will expand in an enlarged domain name space. The strain on the Root Zone of introducing new gTLDs in the same timeframe as DNSSEC, IPv6 and Fast Track IDNs is very risky. No sound economic case has been made demonstrating a global need for unlimited new gTLDs. (We believe that ICANN's earlier economic reports were based on 'neo liberal' economic theory. This is appropriate for a free market such as exists in the USA but cannot automatically be transposed to emerging countries or non free-market economies.)

Most important to ECTA and MARQUES is the fact that the current ICANN processes have allowed cyber-piracy of all types to flourish in the open gTLDs (see the growth in UDRP cases, the abuse of the Add Grace period, issues with Whois accuracy and the rise of proxy registration services). Measures to safeguard IP such as those recommended by the IRT and supported by an overwhelming number of commentators at the Consultation Day held in London in July 2009 must be adopted if new gTLDs are to be introduced. We are particularly encouraged that the Government Advisory Committee (GAC) has called for "the more effective protection of intellectual property rights" in its last Communiqué of 28 October 2009.

In compiling these comments we read again the transcript of the GAC meeting² in Seoul. We highlight the statements made by just two of the GAC representatives from Europe: "Trademark protection is, from the point of our government, one of the crucial issues that have to be resolved before introducing new gTLDs" (Germany) and "ICANN should take account of the concerns of trademark owners and the big brands who are faced with enormous potential costs in terms of defensive registrations"(UK).

Like the representative of the UK on the GAC who found it "particularly disappointing" that some of the recommendations of the IRT such as the Globally Protected Marks List have been ignored completely in DAG3 or re-interpreted by ICANN staff (the Uniform Rapid Suspension Scheme has been reconfigured as Best Practice), we are concerned that the attempt to find a compromise solution through the GNSO may not be successful. We are dismayed that the GNSO will not be reporting on the crucial issues of the Trademark Clearinghouse or the URS until after the comment period on DAG3 is closed. This reduces the value of this comment period for ICANN and many other interested parties: we note for example that the GAC has declined to comment on DAG3. Despite this, we emphasise that measures to protect the rights of others that are Best Practice will not be effective. Specifically, we call upon ICANN to ensure

² <http://sel.icann.org/node/7076>

that the URS is mandatory across new gTLD registries – and indeed for the efficacy of a tool for rights owners to use to tackle “slam-dunk” abuse quickly and cheaply to be considered for existing gTLDs too. We look forward to the opportunity of submitting substantive comments on the entire package of measures that ICANN proposes to protect IPR after the GNSO has reported.

Specific comments on DAG3

ECTA and MARQUES are proud to be members of the IPC of ICANN. As two organisations whose members are intellectual property rights specialists, we generally restrict our comments to matters concerning IPR. However, we are pleased to submit the following general comments on DAG3 based on the analysis undertaken with the IPC:

Module 1

- ICANN proposes a two week window between the closure of the evaluation phase and the deadline for filing objections. We believe a 30 day window is required. This extension would allow trade mark owners to wait and see if an application fails evaluation before preparing an objection.

Module 2

- We believe a single Extended Evaluation Panel would ensure consistency.
- We strongly support ICANN’s proposal to bar applicants with a history of cybersquatting. We ask that ICANN creates a formal reporting procedure for any person to inform the Evaluators if they know that an applicant has been involved in the practice of "acquiring domain names primarily for the purpose of selling, renting or otherwise transferring the domain name registrations for valuable consideration." Perhaps this could be an additional role for the Independent Objector?
- Accurate Whois details are essential for the enforcement of rights. All new registries should be required to cancel the registrations of any party supplying incomplete or false Whois details within a reasonable period e.g. 30 days. This is the standard used by several ccTLD registries including Nominet.
- ICANN should impose a mandatory mechanism on all registries operating proxy or private registration services requiring them to deliver full contact details on a registrant on receipt of reasonable evidence of actionable harm.

Module 3

- We recommend that ICANN considers once again the benefits of introducing further categories of application beyond “Standard” and “Community-based” so that like applications can be compared
- We welcome the appointment of the Independent Objector. We believe that a panel of three Independent Panellists may be more appropriate. Any outside counsel retained by the Independent Objector must be independent of any new applicant, existing registry or registrar.

Module 4

- The rules for auctions need to be published as soon as possible. We support the statement that “the ability to pay more in an auction isn’t the indicator of eventual benefits to registrants” and look forward to more clarity on this point.
- In relation to the Community Priority Evaluation Procedure, we believe that more clarity is needed on the types of organisation that can submit a Community-based application in the first place. For example, can a brand owner whose registry will only support employees and suppliers designate its application as community-based? We are uncertain that the system of allocating points is correctly calibrated at the moment and suggest that in addition to meeting a minimum threshold, all community-based applications in Community Evaluation should be re-evaluated.

Module 5

- We believe that there should be enhanced “Change of Control” requirements so that registries cannot be easily “flipped”

Conclusion

We are pleased that ICANN is slowing down the new gTLD process whilst the four overarching issues are addressed though we are frustrated at commenting on a Guidebook while critical measures to protect IPR are debated elsewhere. It remains our view, shared by the GAC and many national governments, that the new gTLD process should not proceed unless adequate measures to protect IP are introduced. If attempts to gain consensus in the ICANN community produce compromise solutions that are not effective for IP owners – such as Best Practice instead of mandatory requirements on registries to operate the URS – then we hope that ICANN will turn back to the IRT and the IPC who are experts in this area for solutions, in the same way as it turns to security experts or IDN experts in those areas of policy.

In the meantime, ECTA and MARQUES are calling on the European Union and governments within Europe to support our stance.

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