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Representing Trademark Owners Since 1878

## INTA Internet Committee Comments on New gTLD Draft Applicant Guidebook, Version 4

July 21, 2010

### I. Introduction

The Internet Committee of the International Trademark Association (“INTA”) appreciates this opportunity to comment on the gTLD Draft Applicant Guidebook, Version 4 (“DAGv4”). At the outset, we note that despite the many issues that could be discussed; the focus of this comment will be on trademarks and the impact of the proposed launch of new gTLDs on consumers and the Internet community, and our deep seated concerns that DAGv4 does not offer sufficient protection for this **overarching** issue.<sup>1</sup> Adequate protection must be a pre-condition to launch of the new gTLDs.

From the earliest discussions about the introduction of new gTLDs, the protection of intellectual property rights was of concern to ICANN. As early as 2000, ICANN “[i]ndicated that there exist[ed] a consensus for the introduction of new gTLDs in a fair and responsible manner.”<sup>2</sup> Indeed, the Names Council recommended that ICANN “give due regard” to three specific areas: (a) promoting orderly registration of names during the initial phases; (b) **minimizing the use of gTLDs to carry out infringements of intellectual property rights**; and (c) recognizing the need for ensuring user confidence in the technical operation of the new TLD and the DNS as a whole. *Id.* (Emphasis added)

More recently, in 2007, the GNSO Final Report on the Introduction of New Generic Top-Level Domains (August 8, 2007) lists Principles and Recommendations that seek to protect the intellectual property rights of others. In particular, in Recommendation 2, the GNSO supports the concept that “Strings must not be confusingly similar to an existing top-level domain or a reserved name.”<sup>3</sup>

Perhaps more importantly, in Recommendation 3, the GNSO supports the concept that “Strings must not infringe the existing legal rights of others that are recognized or enforceable under

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<sup>1</sup> Thus, the comment is divided into four sections: the Uniform Rapid Suspension System, the Trademark Clearinghouse, the Post Delegation Dispute Resolution Procedures (PDDRP), and the Registry Restriction Dispute Resolution Procedures (RRDRP)

<sup>2</sup> GNSO Issues Report, Introduction of New Top-Level Domains, December 5, 2005, p. 6, quoting Names Council Recommendation of 19-18 April 2000.

<sup>3</sup> In arriving at this recommendation, the Committee analyzed a “wide variety of existing law” including international treaties such as the World Trade Organization’s TRIPS agreement, the 1883 Paris Convention on the Protection of Industrial Property, and the national intellectual property law of countries such as the United States, the United Kingdom, Jordan, Egypt and Australia. GNSO Final Report on the Introduction of New Generic Top-Level Domains, August 8, 2007, p. 9.

generally accepted and internationally recognized principles of law.” Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the Paris Convention for the Protection of Industry Property (in particular trademark rights)...” *Id.* at p. 10.

Regrettably, in our comments on the specific rights protection mechanisms (RPMs) as discussed more fully below, ICANN has yet to meet at least one of its original three goals in launching new gTLDs – minimizing the use of gTLDs to carry out intellectual property infringements. Although there has been no shortage of recommendations, ideas and input from the intellectual property community aimed at producing balanced recommendations for the protection of trademark rights, ICANN has unfortunately diluted these protections to the point where the current DAGv4, quite simply, does not go far enough to protect consumers against harm. As a result we can only conclude, with regret, that ICANN has not adequately addressed the overarching issue of trademark protection in the new gTLDs.

## **II. The current DAGv4 does not adequately protect intellectual property rights.**

The current DAGv4 does not contain the recommended RPMs necessary to protect intellectual property rights and minimize the opportunity for exploitation of consumers through the unauthorized use of brand names. Without such mechanisms, the likely beneficiaries of any new gTLD will be those who seek to exploit the DNS at the expense of consumers.

Before launching new gTLDs, ICANN must design and implement workable and scalable safeguards, such as those recommended by the intellectual property community and described in more detail below. At the very least, such safeguards must include an adequate means: (a) to prevent bad actors from registering and using domain names that trade on the fame of well-known and respected brands; and (b) for brand owners to quickly and cost-effectively address such unlawful activity. Moreover, ICANN must ensure that registrars and registries do not fail in their contractual responsibilities to implement the basic tools needed to protect against intellectual property infringements and the resulting consumer harm.

As noted in the attached comment, the scaled back Trademark Clearinghouse as proposed certainly does not offer adequate protection. Although intended to provide a platform for notifying registrants of potential issues and streamlining the offering of proof of the same rights in multiple rights protection mechanisms, at best it merely streamlines the sunrise registration process while placing the onus and expense on the brand owners to register their trademarks defensively.

Likewise, the current DAGv4 does not provide brand owners with a quick and inexpensive means by which to address unlawful activity, such as cybersquatting. As further discussed below, the Uniform Rapid Suspension (URS) as revised is available to address only an extremely small percentage of unlawful domain name registrations and offers little, if any, reduction in time or costs from the existing UDRP process.

### **III. The proposed launch of the new gTLDs without adequate intellectual property protections will create opportunity for significant harm to consumers and the Internet community at large.**

Bad actors – cybersquatters, typosquatters, unscrupulous domain name speculators who have profited for years in the existing gTLD space - will have an opportunity directly and inappropriately to capitalize upon the expansion of the gTLD space. The ensuing confusion in the marketplace and enhanced opportunities for fraud – including phishing, the dissemination of malware, and related crimes - is not a mere possibility, but is almost certain under the current proposal. With the stage set for a larger playing field that, however, lacks rights protection mechanisms of similar scale, Internet users will not benefit from the launch of new gTLDs; rather, they will be harmed by the misuse of established brands whose owners will be incapable of coping with the increased expenses of infringement in a larger forum. The likely result, in short, is not merely that it will be excessively more expensive and time-consuming for trademark owners to protect their brands, but that it will only be economically feasible to do so in a small subset of cases, leaving consumers to be confused and defrauded on an increasingly massive scale.

### **IV. ICANN still has not substantiated an economic need or resulting consumer benefit for the launch of new gTLDs.**

The Committee agrees with the Intellectual Property Constituency that no launch of new gTLDs should occur before a meaningful study of the economics of the domain name marketplace has been completed and reviewed by the community. Such a study is an essential predicate to designing a new gTLD launch whose scope and pace is best calculated to stimulate real competition and choice that benefits consumers, rather than wasteful and unproductive activity that simply confuses consumers without expanding the choices realistically available to them...despite being called for by the ICANN Board nearly three [now four] years ago, such a study has never been commissioned, and the steps that ICANN has taken to date to resolve this “overarching issue” have fallen far short.<sup>4</sup>

Nevertheless, the Committee notes that ICANN’s recently released economic paper, “An Economic Framework for the Analysis of the Expansion of Generic Top-Level Domain Names”, cautions against the harms that could result with an unfettered rollout of gTLDs and supports a measured approach to ensure that private benefits don’t outweigh social harms. Therefore, the Committee submits that any rollout of new gTLDs in the immediate future should be so limited and only in those cases for which there is a net social benefit.

Regrettably, the Committee has seen no demonstrable effort by ICANN to identify gTLDs that provide such a net benefit to the community and feels it is irresponsible for ICANN to propose such a mammoth launch of new gTLDs that could result in negative social benefits and increased external effects.

### **V. Conclusion**

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<sup>4</sup> See Comments of the IPC on Final IRT Report.

We firmly believe that before ICANN can credibly say that it has addressed the overarching issue of trademark protection in new gTLDs, it still has important work to complete. At the very least, ICANN should follow its own recommendation, namely, to take affirmative steps to effectively minimize the use of new gTLDs to carry out infringements of intellectual property rights.

However, only when ICANN adequately and fairly addresses these trademark issues and demonstrates an economic need for such a wide-scale launch of new gTLDs, should ICANN proceed. Perhaps more importantly, at this stage in the process, ICANN risks its own credibility by ignoring the commissioned work of the IRT and the STI and the comments from the larger intellectual property community. With its seemingly disregard for intellectual property rights, and its failure to address the other overarching issues in a bottom-up and orderly manner, ICANN has not demonstrated the currently proposed new gTLD program is in the public's interest.

INTA Internet Committee Comments  
**Uniform Rapid Suspension System**

The INTA's Internet Committee (the Committee) appreciates the opportunity to comment on the May 2010 Draft Uniform Rapid Suspension (URS) Procedure (May 2010 Draft). The Committee notes that the URS as originally conceived by the Implementation Recommendation Team (IRT) and confirmed by the Special Trademark Issues Review Team (STI) reflected a careful balance of competing interests. The Committee respectfully submits that revisions to the URS will substantially compromise the ability of the URS to offer an effective dispute resolution mechanism, and urges ICANN to reinstate key elements of the IRT's initial proposal.

**A. INTRODUCTION**

As the IRT stated, the *Uniform Rapid* Suspension system is intended to provide “a *low-cost* and *rapid* means for taking down infringing domain name registrations, yet preserving a registrant's right to a hearing and/or appeal...” IRT Recommendations dated May 29, 2009, page 26. The STI agreed.

There is consensus among the members of [the] STI that creation of a Uniform Rapid Suspension (URS) procedure would be a beneficial rights protection mechanism for inclusion in the New GTLD program. The STI recognizes that the URS could provide trademark holders with a cost effective, expedited process in instances of clear cut instances of trademark abuse, provided that the procedure includes appropriate safeguards to protect registrants who engage in legitimate uses of domain names. (Emphasis added.)

STI Recommendations, p. 15.

Both the IRT and the STI acknowledged that the URS is intended to provide a different mechanism than the UDRP for domain name dispute resolution—to move rapidly and to address cases of clear cut abuse where the trademark owner's primary goal is to prevent further use of the infringing domain rather than to acquire the domain name for its own use. *See* STI Recommendations; Annex 7- Standard of Review. As further stated by the STI, “[t]he purpose of the URS is to address a cybersquatting problem for brand owners that is already insidious and enormous in scale and which will continue to spiral out of control with the introduction of an unlimited number of new gTLDs unless addressed.” *Id.* at p. 26.

As initially envisioned by the IRT, the URS balanced the needs of trademark owners for a fast, economical remedy versus the legitimate rights of domain name owners to due process. To guard against abuse by trademark owners, it incorporated the same legal standard as the UDRP but imposed a higher standard of proof and limited the remedy to temporary suspension, rather than transfer of the domain. (We continue to believe that, in order to avoid the need for serial, repetitive enforcement actions, the URS should, if it is to offer registrants indefinite ability to re-open the case through a late answer, allow at least indefinite suspension of the domain.) However, as set forth below, the current version of the URS upsets this balance to such an extent that what remains is far from an effective alternative to the UDRP. The Committee believes that

without significant modifications to the current proposal, the URS will not be a meaningful rights protection mechanism in the new gTLDs.

## **B. COMMENTS**

### **1. As Proposed, the URS Fails to Provide an Expedited, Cost-effective Remedy.**

As the STI and IRT acknowledged, an “expedited” process, faster than that already offered by the UDRP, is an essential element of an effective URS. But as currently drafted, the URS is not expedited. In fact, the URS timeline proposed by the IRT has been so extended that the time to an initial decision may often be equal to or longer than under the UDRP.

#### **URS**

<b>Date of Filing</b>	<b>Administrative Review Deadline</b>	<b>Notice of Complaint Issued</b>	<b>Notice of Lock Issued</b>	<b>Provider Notifies Registrant of Complaint</b>	<b>Maximum Time to Answer</b>	<b>Decision from Examiner</b>	<b>Notice of Appeal</b>	<b>Appellate Decision Issued</b>
	(¶3.2 three business days)	(¶ 4.1 24 hours)	(¶4.1 24 hours)	(¶ 4.2 24 hours)	(¶5.1 20 days, or 27 if extended)	(¶9.5 3 business day “goal” but up to 14 days “absent extraordinary circumstances”)	(¶12.4 20 days)	
Day 1	Day 4 (or 6 as it is three business days from filing so time could vary if holidays or weekend days need to be added)	Day 5 (or 7 if holiday/ weekend added)	Day 6 (or 8 if holiday/ weekend added)	Day 7 (or 9 if holiday/ weekend added)	Day 27 (or 29 if holiday/ weekend added) (or 34-36 if also extended)	Day 30-41 (or 32-43 if holiday/ weekend added) (or 37-50 if also extended)	Day 50-70	Unknown

#### **UDRP**

<b>Date of Filing</b>	<b>Administrative Review Deadline</b>	<b>Notice of Complaint Issued</b>	<b>Notice of Lock Issued</b>	<b>Provider Notifies Registrant of Complaint</b>	<b>Maximum Time to Answer</b>	<b>Decision from Examiner</b>	<b>Notice of Appeal</b>	<b>Appellate Decision Issued</b>
	(¶4(a) three days following receipt of fees to review and forward complaint)	(N/A)	(N/A) Domain locked when registrar notified (¶ )	(¶4(a) three days following receipt of fees to review and forward complaint)	(¶5(a) 20 days)	(¶6 five days to appoint panel and set date for decision, ¶ 16 three days after decision to send to parties)	(¶4(k) 10 days)	No limit -- court proceeding
Day 1	Day 4		Day 4	Day 4	Day 24	Not set	10 days after decision	

Worse, the relief afforded a successful complaining party in the case of default remains provisional for a full two years.

A. The Time to Answer Should Not Exceed 14 Days.

The IRT provided for the registrant to respond within 14 days from the date on which the URS Provider sends the Notice of Complaint to the registrant. However, the current draft of the URS gives the registrant 20 calendar days to respond and allows the registrant to obtain a further 7 calendar day extension “if there is a good faith basis for doing so.” *See* May 2010 Draft, ¶ 5.3. The Committee reiterates the concerns articulated in its April 2010 comments on the URS that the enlargement of the registrant’s initial time to answer and the availability of a further extension of time substantially impair the URS’s stated goal of providing a rapid process. The 20 day initial response period is just as long as the response period in a UDRP. With the additional 7 day extension, it can be even longer than the response time afforded to the registrant in a UDRP proceeding. This is not an expedited solution.

B. A Decision Should Be Rendered within Three (3) Business Days.

The timeliness of the URS is further undermined by ICANN’s current proposed timeframe for the examiner’s decision. The May 2010 Draft gives the examiner between 3 (business) days and 14 (unspecified) days to render a decision and even leaves a window open for an indeterminate amount of additional time to issue a decision in “extraordinary circumstances.” May 2010 Draft ¶9.5, p. 10. It is important to bear in mind that even the STI’s recommendation of a twenty day answer period was expressly conditioned on “a decision [being]... rendered on an expedited basis (within 3-5 days).” STI Recommendations ¶ 5.1, p. 18. *See also* STI Recommendations ¶6.1 (three business days for a decision with no extension possible.) The failure of the May 2010 Draft to adopt the recommended decision-making period makes this purportedly “rapid” procedure significantly slower. At a minimum, a decision should be required within three business days in cases of default, which will naturally require far less analysis by the examiner since there will be no contested issues to resolve.

C. A Two Year Period for Relief from Default Cannot Be Justified.

The effectiveness of the URS as a rapid remedy is completely gutted by the ability of a defaulting registrant to reopen the proceeding and obtain *de novo* review for up to two years from the Notice of Default. May 2010 Draft ¶ 6.4. This provision further expands the opportunity for registrants to drag out what was intended to be a rapid procedure. ICANN claims that this extended period does not undermine the speed and efficiency of the URS because “the likelihood of reversal two years later is slim and the trademark holder is free to pursue other additional remedies.” *See* ICANN Summary, p. 20.

ICANN overlooks the fact that this two-year window eliminates the possibility of speedy final resolution. Regardless of the speed with which a decision may be rendered initially, that decision has little value if a registrant can reopen and contest the case as if no default had ever

occurred. To say that the trademark holder can pursue other remedies suggests that one should not use the URS procedure to begin with. *As ICANN's own comments highlight, the two year window renders the URS less effective than other existing remedies.*

Unless the relief afforded to a successful petitioner includes transfer of the domain, or at least permanent suspension, beyond the merely temporary suspension for the remaining term of registration, a defaulting registrant should not be given yet another bite at the apple. But if one is to be offered, it ought to be for a period of time not to exceed 30 days from the Notice of Default, and it should be subject to a showing of good cause why the default should be lifted. Without these limitations, the URS offers merely a dubious provisional remedy that is subject to reversal at any time for up to two years.

D. Notice of Appeal Should Be Filed within 10 Days and a Date for a Decision on Appeal Must Be Set.

The current draft of the URS provides for a 20-day period in which to file an appeal. *See* May 2010 Draft ¶ 12.4. By contrast, the UDRP rules provide for a 10 day period in which to file suit in order to appeal a decision. ICANN has offered no justification for compromising the speed of URS, which is admittedly intended to be faster than the UDRP, by imposing an appeal period that is twice the length of the UDRP period for appeal. The Committee reiterates its recommendation for a 10 day appeal period. *See* INTA April 2010 Comments, p. 6.

Further, as currently proposed, while an appeal must be filed within 20 days of issuance of an initial or second determination, there are no limits on the date by which “new admissible evidence” must be filed or on the date by which a decision must be rendered. *See* May 2010 Draft, ¶ 12. Thus the final ruling in the case could be left in limbo for an extended period.

E. Use of Form Complaint, Answer and Decision Should be Required.

If the URS is to accomplish its objectives, examiners must be able to render decisions quickly and efficiently for a modest fee. In recognition that streamlined pleadings are essential to this goal, the IRT proposed a form complaint, answer and decision. STI later stated that a complaint “should be as simple and as formulaic as possible... [although it] should not be solely a check box.” IRT, p. 27 and Appendix B; STI Recommendations ¶ 2.2, p. 16. ICANN, however, rejected the idea of a “strict form complaint” as not “appropriate, particularly given the fact sensitive nature of each case and the burden of proof by clear and convincing evidence.” *See* ICANN Summary, p. 11.

ICANN's current proposal calls for free form pleadings of up to 5,000 words each plus exhibits. *See* May 2010 Draft at 1.2. Pleadings of this length and free form nature are inconsistent with the stated goals of the URS, as they will not facilitate efficient and prompt review. Moreover, pleadings of such length and complexity should not be necessary in a proceeding in which the burden of proof is clear and convincing evidence and the ultimate remedy is temporary suspension.



URS complaining parties, registrants and examiners alike should be required to use forms specifically developed for the URS complaint, answer and decision, such as the forms proposed by the IRT, with limited opportunities for supplementation. This is consistent with ICANN's position, as it is not a "strict" form complaint without any opportunity for elaboration. As has been stated often, the URS is intended to remedy clear cut cases of abuse. In such a context, both petitioners and registrants should be able to render their arguments succinctly. Use of form pleadings would speed review in that the examiner would see whether all required parts had been completed and would not be burdened with a longer complaint requiring more review time. Such pleadings would go a long way to ensuring that the Administrative Review discussed in ¶ 3 of the May 2010 Draft and the examination itself discussed in ¶ 9 of the May 2010 Draft would be completed in a timely fashion. If the examiner in a URS proceeding is to render a well-considered decision in the amount of time commensurate with the modest filing fee, the pleadings must reflect that objective. Indeed, without such streamlined pleadings, it is difficult to imagine that any dispute resolution provider could provide quality URS services for ICANN's goal of \$300 per proceeding, when UDRP proceedings for a single domain name cost \$1300-\$1500, depending on the provider.

#### F. Examination Standards Must Be Clarified

The Committee notes that Section 1.2(f) of ICANN's proposal seems to limit URS complaints only to valid registrations issued by a jurisdiction that conducts substantive examination. This is inconsistent with the Examination Standards in Section 8.1(a) states that the examiner is to determine whether the domain name is identical or confusingly similar to a trademark (i) in which the complaint holds a valid registration issued by a jurisdiction that conducts a substantive examination prior to registration, (ii) that has been validated through court proceedings or the Trademark Clearinghouse, or (iii) that is protected by statute or treaty currently in effect and that was in effect on or before June 26, 2008. INTA notes that page 8 of the ICANN Summary of Comments is consistent with Section 8.1(a), and thus apparently Section 1.2(f) is in need of revision.

The Committee is also very concerned with two elements in the standards set forth in Section 8.4 of ICANN's proposal. First, ICANN proposes that the complaint be automatically dismissed by the examiner if "evidence was presented" to indicate that the use of the domain name is non-infringing. However, evidence is not proof, and this blanket statement does not adequately allow examiners discretion to consider the quality and credibility of the evidence. If credible evidence is presented in the registrant's defense, then the "clear and convincing" standard is likely not met.

Second, ICANN proposes that the complaint be automatically dismissed by the examiner in a default situation if a defense "would have been possible" to show that the use of the domain name was non-infringing. This is simply a reformulation of the discredited "no defense can be imagined" standard proposed in DAG v.3. It should not be up to the examiner's imagination to consider whether a defense is possible, since in almost any situation a defense might be "possible" or "imaginable." Rather, the examiner should be required to evaluate the complaint in a default situation to determine if the high "clear and convincing" standard has been met, and should not be required to ghostwrite the registrant's response.

## 2. The Safeguards for Abusive Complaints Go Too Far.

The Committee concurs that it is important to have safeguards in effect to prevent abuse of the URS Procedure by trademark holders. However, Section 11.4 provides as follows:

An examiner may find that [the] Complaint contained a deliberate material falsehood if it contained an assertion of fact, which at the time it was made, was made with the knowledge that it was false and which, if true, would have an impact on the outcome on [sic] the URS proceeding.

The requirement that the false statement would have “an impact” is too low for it to be held to be a deliberate “material” falsehood, which requires that the matter be substantially important in influencing the decision.

Further, two findings of “deliberate material falsehoods” can permanently bar the party from using the URS. *See* May 2010 Draft ¶ 11.5. However, as previously noted by INTA, no time period is set, so a trademark owner could have had two incidents 20 or even 50 years apart and still be barred. *See* INTA April 2010 Comments, p. 5. The failure of the current proposal to impose time limits on such a draconian remedy is unreasonable.

Further, appeals of findings of abuse are limited to abuse of discretion/arbitrary and capricious behavior by the examiner. May 2010 Draft ¶ 11.8. INTA disagrees with this standard of review and believes that a *de novo* review should be required -- as is proposed for opening of a default or appeal of a determination. *See* May 2010 Draft ¶ 6.4 and 12.1. The rationale for the standard of review in the ICANN summary is simply that abuse of discretion is the standard without an explanation of why *de novo* review is not appropriate other than to say that it is the typical standard in binding dispute resolution proceedings.

## C. CONCLUSION

The URS was specifically designed to fill a gap in the existing landscape of remedies for trademark abuse. It was intended to be a dispute resolution mechanism that would be significantly less expensive and faster than the UDRP, to scale to address numerous cases in the expanding gTLD name space of clear cut abuse where the primary goal is to prevent use of rather than acquire the domain name. *See* STI Recommendations, Annex 7- Standard of Review. To balance the goals of speed and reduced cost, it imposed a higher standard of proof than the UDRP and, rather than the permanent remedy of transfer, it provided for the temporary suspension of the domain name.

The URS as initially conceived would have accomplished its objective. However, successive rounds of revision have so diluted its essential ingredients that the current version: (a) is barely faster than a UDRP, if at all; (b) has the same legal requirements as a UDRP but a substantially more onerous standard of proof; (c) offers a remedy that is inferior in both scope and duration to that of the UDRP; and (d) in the case of a default lacks finality for two full years following the initial decision. Such a remedy does not represent an effective alternative to the UDRP that fills a presently unmet need. We respectfully submit that the amendments we have recommended to

the current draft of the URS are necessary in order to accomplish ICANN's oft-stated objective of incorporating effective mechanisms to protect intellectual property rights into the new gTLD program.

If ICANN wishes to provide a rapid, cost-efficient option for resolving domain name disputes in the new gTLDs, it must restore the balance that made the initial proposal a viable alternative to the UDRP.

INTA Internet Committee Comments  
**Trademark Clearinghouse**

**I. Introduction.**

INTA's Internet Committee appreciates this opportunity to comment on the May 2010 Draft Trademark Clearinghouse proposal (the "Revised Proposal"). As an initial matter, we applaud ICANN's recognition that the Trademark Clearinghouse operator may offer certain ancillary services and maintain a separate database containing "a panoply" of rights, such as "unregistered trademarks, company names, trading names, designations of origin, geographical names, family and personal names, etc".<sup>5</sup> As discussed below, the Committee believes that this Trademark Clearinghouse concept is almost complete, but is lacking clarification on some key definitions and processes.

**A. Clarification on the Types of Trademarks That May be Included in the Trademark Clearinghouse is Essential.**

In the last round of comments, the Committee and others encouraged ICANN to allow a broader range of intellectual property to be included in the Trademark Clearinghouse, including common law trademarks and design marks, among other types of intellectual property. The Revised Proposal was expanded but still limits intellectual property that may be registered in the Trademark Clearinghouse Database to:

For Trademark Claims services - Registries must recognize all text marks that have been or are: (i) nationally or multi-nationally registered (regardless of whether the country of registration conducts a substantive review); (ii) court-validated; or (iii) protected by a statute or treaty currently in effect and that was in effect on or before 26 June 2008.

For Sunrise services - Registries must recognize all text marks: (i) nationally or multi-nationally registered in a jurisdiction that conducts a substantive examination of trademark applications prior to registration; or (ii) that have been court- or Trademark Clearinghouse-validated; or (iii) that are protected by a statute or treaty currently in effect and that was in effect on or before 26 June 2008.

There is no universally accepted definition of a "text" mark. For example:

The USPTO defines a *standard character* mark as:

- *All letters and words in the mark are depicted in Latin characters;*
- *All numerals in the mark are depicted in Roman or Arabic numerals;*
- *The mark includes only common punctuation or diacritical marks; and*
- *The mark does not include a design element.*
- *The mark is presented in standard character format without claim to any particular font style, size or colour.*

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<sup>5</sup> IRT Report available at <http://www.icann.org/en/announcements/announcement-4-29may09-en.htm>

For OHIM, a Community Trade Mark (CTM) *word mark* is defined as *a typewritten mark (regular font), with no special graphic element* with no claim to any size or colour.

Therefore, with respect to the types of intellectual property that may be included within the Trademark Clearinghouse, the Committee requests that ICANN set forth a clear definition of what constitutes a "text mark." Likewise, it is unclear what level or degree of trademark application examination is considered "substantive." The Committee additionally requests that ICANN set forth a clear definition of what is considered "substantive examination," and that such definition not necessarily require examination on relative grounds, as such a requirement would exclude some of the largest trademark systems in the world, such as the European CTM.

### **1. Marks Consisting of Stylized Text or Designs Plus Text Should be Included in the Trademark Clearinghouse.**

In the United States and in other jurisdictions, trademarks can be registered with a claim of stylization of the letters or without such a claim.

Marks may also be registered as text plus a design, symbol or other graphically element. In fact, many famous brands are protected worldwide solely by registrations that include the famous word mark with a design element, as registration for both the design mark and the text mark in all territories would be prohibitively expensive, and registrations for the composite of the design and words may extend protection to the word elements as well.

Even if a "text mark" could be defined, the existence of a "text mark" is not going to be apparent to the Trademark Clearinghouse operator without personal review of the mark contained on the registration certificate. Further, because of each country's unique trademark registration system, the operator of the Trademark Clearinghouse will not be able to make such a determination without relying upon an independent review by a Regional Validation Service Provider.

Moreover, there is no such thing as a common law standard character mark, since a common law trademark arises only upon actual use of a mark in commerce. In other words, although there can be a plainly stylized common law mark, the requirement of actual use necessarily prescribes that there will be one or more particular fonts and format to a common law trademark. Thus, allowing the inclusion of court validated common law necessarily permits the stylized text or text plus designs marks.

ICANN analysis of comments has made it clear that it is most concerned about excluding highly descriptive and generic marks that are the subject of a national registration only by virtue of being either stylized or paired with a registrable design element. Rather than attempting to define a degree of font stylization that would transform a "text mark" into an excluded "design mark," since some level of national expert review is unavoidable, the most equitable process is for the Trademark Clearinghouse to include marks with stylized letters or text plus a design.

### **2. Additional Clarification on the Definition of Non-substantive Review and the Trademark Clearinghouse Validation Processes is Essential.**

The Revised Proposal provides that the Trademark Claims Notice process shall recognize all marks in the Trademark Clearinghouse, including nationally and multi-nationally registered marks, regardless of whether the rights exist in a substantive review country or not. However,

for Sunrise services ICANN has created a higher bar and is requiring that all registrations from jurisdictions with non-substantive review go through an additional validation process with the operator of the Trademark Clearinghouse. The Committee strongly believes that there needs to be clarification regarding (i) what constitutes substantive review and (ii) a description of the Trademark Clearinghouse validation process for unregistered marks and registrations that have not undergone any substantive review.

Substantive review of a trademark application consists of two major subjects: (1) review for compliance with national law and regulations concerning the registrability of the applied-for mark ("Absolute Grounds"), and (2) exclusionary review relating to other similar pending and registered marks ("Relative Grounds"). For instance, CTM applications are not examined and refused based on Relative Grounds based upon an examining attorney's opinion of a search for other confusingly similar marks. CTM applications are examined on other statutory Absolute Grounds. The large body of widely CTM accepted registrations should not be excluded because they are not examined on Relative Grounds. The Committee asserts that exclusionary review for other similar marks (i.e., Relative Grounds) need not be a factor for determining whether a jurisdiction undertakes substantive review. Examination on Absolute Grounds should be sufficient to satisfy the "substantive review" requirement.

## **B. Ancillary Services Offered via Trademark Clearinghouse**

ICANN has suggested the possibility of allowing the Trademark Clearinghouse Provider and/or third parties providing "ancillary services" relating to data maintained in the Clearinghouse or, more likely, a mirror of the Clearinghouse database created for the purpose of providing said services. While the current Revised Proposal does not go into great detail about what those services might be, one suggested possibility is a service providing "a list of generic words or common typographical variations" of a trademark to be used in a post-launch Trademark Claims Service or Trademark Watch Service.

We support the concept of the Trademark Clearinghouse or a third-party providing ancillary services that protect consumers from confusion by allowing trademark owners to better police their marks. Indeed, the willingness to provide such services should weigh favorably in evaluating potential operators of the Clearinghouse and the offering of such services be mandatory in the evaluation and grant of certain TLDs (e.g., High Security Zone).

That being said, we are concerned about the potential for ancillary services being used to foster confusion. The list of generic words or common variations cited in the DAG is an example of an ancillary service that is benign when provided to the owner of the trademark at issue, but which could be used by a third party to profit from public confusion by warehousing variant spelling and combination domain names that derive value precisely because of the association with the trademark owner. Typosquatting is a pervasive enough problem without having an ICANN-approved service provider creating roadmaps for squatters.

For this reason, any ancillary services provided by the Clearinghouse provider or anyone licensing data from the Clearinghouse be offered exclusively to the owner of trademarks registered in the Clearinghouse, and only offered in connection with trademarks that the owner has registered in the Clearinghouse. Thus, to use the example of the list identified in the DAG, the owner of a trademark registered in the Clearinghouse could request such a list pertaining to

said mark, but a third party could not request a similar list. Such a limitation would help limit the risk of ancillary service offerings being used to harm consumers by enabling cybersquatting and typosquatting.

### **C. Validation of Marks in the Trademark Clearinghouse**

DAG v.4 suggests the following validation of marks:

*For validation of marks by the Clearinghouse that were not previously validated at registration or protected via a court, statute or treaty, the trademark holder shall be required to provide evidence of continuous use of the mark in connection with the bona fide offering for sale of goods or services prior to application for inclusion in the Clearinghouse. Acceptable evidence of use might be labels, tags, containers, advertising, brochures, screen shots, and something that evidences continued use.*

While a trademark owner should be required to provide evidence of current bona fide use, they should not be required to prove that they had rights “continuously” since registration.

### **D. The Scope of Searches for Matching Should be Determined with Input From Proposed Trademark Clearinghouse Operators.**

The Revised Proposal states that the Trademark Clearinghouse notice or sunrise registration procedures apply only to “identical matches.”<sup>6</sup> INTA and others have previously asserted that brand owners should be able to submit their trademarks paired with other terms and misspellings. A similar process had been successfully implemented in the past by a registry allowing registrants to submit a list of marks including other words contained in the Nice Agreement’s classification(s) of the mark’s registration.<sup>7</sup> At a minimum, a match should include plurals of and domain names containing the exact trademark. ICANN’s reasoning for limiting the searches was that anything more than identical searches threatened the Trademark Clearinghouse’s “operational integrity, and would result in an “unmanageable volume of processing by the Clearinghouse.” However, ICANN provides no support for these assumptions. On the contrary, there are many services that conduct very similar services in the form of trademark watches. Such watches are commonly used by both small and large companies alike. This issue can be more properly vetted during a Request for Information phase and that potential Trademark Clearinghouse operators ought to be given the opportunity to provide their input on what types of searches could reasonably be conducted.

## **II. Conclusion.**

We support the Revised Proposal’s recognition of a wide range of intellectual property that may be separately registered and the potential ancillary services that may be offered. However,

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<sup>6</sup> “Identical Match” as defined by Section 4.3 of the Recommendations means “that the domain name consists of the complete and identical textual elements of the Mark. In this regard: (a) spaces contained within a mark that are either replaced by hyphens (and vice versa) or omitted, (b) only certain special characters contained within a trademark are spelt out with appropriate words describing it ( @ and &.), (c) punctuation or special characters contained within a mark that are unable to be used in a second-level domain name may either be (i) omitted or (ii) replaced by spaces, hyphens or underscores and still be considered identical matches, and (d) no plural and no ‘marks contained’ would qualify for inclusion.”

<sup>7</sup> See .ASIA sunrise policy. <http://www.dotasia.org/policies/DotAsia-Sunrise-Policies--COMPLETE-2007-08-10.pdf>

access to this information must be limited to avoid uses of the data for unlawful purposes. Furthermore, the Revised Proposal for the Trademark Clearinghouse requires some final, yet critical details in order for it serve the functions for which it was intended by the Special Trademark Issues Review Team and the Implementation Recommendation Team. It is important that ICANN clarify the definition of the types of marks permitted in the Trademark Clearinghouse. This definition must rationally allow for the inclusion of stylized text marks and text marks that include a design, but exclude registrations obtained for generic terms that are being used to "game" the system. ICANN should also clarify the definition of non-substantive review to reflect that this concept shall only apply to jurisdictions that do not meet a certain level of review of applications on Absolute Grounds, and should not exclude jurisdictions solely on the basis that they do not review applications on Relative Grounds. Lastly, prior to finally deciding upon a the scope of searches that may be performed to produce matches, potential Trademark Clearinghouse operators should be given an opportunity to comment on the process, scope and type of searches that could be handled.



INTA Internet Committee Comments  
**Trademark Post Delegation Dispute Resolution Procedures (PDDRP)**

**I. Introduction**

In general, alternative dispute resolution procedures such as the PDDRP are attractive to the extent that they provide a simpler, less expensive and quicker alternative to civil litigation. To the extent that the PDDRP adds layers of complexity and erects procedural barriers which burden the Complainant, it loses a significant perceived advantage over civil litigation. However, currently drafted, the PDDRP contains a number of provisions that severely, and perhaps fatally, weaken its attractiveness to potential Complainants. We are concerned that unless key changes are made, potential Complainants will elect to forego the PDDRP option entirely and pursue their grievances in civil courts.

**II. Standards**

We believe it inappropriate to require the Complainant to prove its allegations by clear and convincing evidence in order to obtain relief. In general, the “clear and convincing evidence” burden of proof represents a higher threshold than is required in most civil actions. Most civil cases require proof by a “preponderance of the evidence,” meaning that a proposition is more likely true than not true.

The current draft of the Registry Restrictions Dispute Resolution Procedure (RRDRP) specifies that the Complainant in that procedure must prove its allegations by a preponderance of the evidence. We believe that the preponderance of the evidence standard should apply in the PDDRP as well. There is no reason to place a higher burden on the Complainant in the present procedure, as compared to the Complainant in the RRDRP. Both procedures are designed to resolve disputes of a civil nature involving registry misconduct. Establishing a “clear and convincing evidence” burden of proof for the PDDRP creates a serious disincentive for potential Complainants to utilize the procedure, as opposed to litigating in court.

Another example of an unreasonably stringent burden placed on PDDRP Complainants stems from the requirement that a Complainant prove the registry’s bad faith “intent to profit” when second-level domain names are at issue. The Complainant must not only prove bad faith, but must prove a very specific type of bad faith based on the accused registry’s intent to profit from its actions. The ICANN UDRP does not go this far, as it requires proof of a registrant’s bad faith, but not any specific intent to “profit.” Meeting the standard for showing bad faith “intent to profit” would require an extraordinarily specific type of evidence, making the PDDRP useful for second-level infringement situations only in a tiny range of cases.

**III. Vertical Integration**

As drafted, the PDDRP speaks only of conduct by the registry, which does not take into consideration the issues raised by “vertical integration,” *i.e.*, actions taken by a registrar, registrant, consultant, service provider or other person or entity that is affiliated with the registry. If the PDDRP is limited to registry conduct, registries will be able to shield infringing activities from PDDRP liability simply by setting up and utilizing affiliated third parties to conduct such activity. Conduct of a registry operator be defined to include:

Conduct by entities directly or indirectly controlling, controlled by or under common control with a registry operator, whether by ownership or control of voting securities, by contract or otherwise where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether by ownership or control of voting securities, by contract or otherwise.

This is all the more important since there is a substantial gap in coverage among the currently proposed trademark protection proposals. Specifically, there is no dispute resolution policy or other mechanism that allows a brand owner directly to confront registrar misconduct. While there most likely should be a “Registrar DRP,” that is beyond the scope of the PDDRP and this comment. However, registries should not be offered an opportunity to exploit this loophole by shielding activities of affiliated registrars from the PDDRP.

#### **IV. Willful Blindness**

As drafted, the PDDRP speaks only of “affirmative conduct” by the registry. There has been significant discussion of whether “willful blindness” on the part of a registry should also provide grounds for liability under the PDDRP. Respectfully, much of the prior discussion on willful blindness (both pro and con) has been unhelpful, since it equates “willful blindness” with passivity, mere inactivity, or a simple failure to act on the part of the registry. “Willful blindness,” as a term of art (in U.S. law at a minimum) is a different concept; indeed, it should be seen as a form of “affirmative conduct.”

“Willful blindness” is not simply standing by, or even simply ignoring offending activity; rather, it involves a party that first knows or strongly suspects that offending activity will occur. The offending party, having such foreknowledge or strong suspicion, must then engage in affirmative conduct that deliberately puts a wall or structure between itself and the activity, so that the party does not fully know exactly what is occurring. Based on these principles, we propose that the following clarifying definition be added to the discussion of standards:

“Affirmative conduct” may consist of affirmative steps taken by a registry operator to deliberately shield itself from full or exact knowledge of the nature and extent of infringing activity, after it knows or strongly suspects that infringing activity of the type contemplated by this PDDRP is occurring or is likely to occur.

#### **V. The Complaint**

The current iteration of the PDDRP makes no provision for joining matters across Complainants. This is a serious oversight as it all but ensures that multiple Complainants will be forced to bring virtually identical complaints against the same registry operator, each regarding the same bad acts. Where multiple Complainants file against a single registry operator, we suggest allowing these Complainants to request to join the matters.

The draft currently provides an extremely rough outline of the elements required for inclusion in a complaint. This outline fails to provide guidance as to evidence relating to the infringement of Complainant’s marks. More specific guidance regarding the types and presentation of evidence be added.

The draft also provides for a 30-day period of prior notice to registry operators by would-be Complainants. We question the need for any such notice period. In addition, the length of the proposed period makes it likely that the bad faith actions of a subject registry operator will continue, and ensures that mark owners will look more seriously at litigation as the more expedient and effective enforcement route. We recommend that the 30-day notice period either be stricken or, at a minimum, shortened to a term sufficient to provide only notice – as opposed to an advantage – to registry operators.

## **VI. Threshold Review**

We support the Threshold Review concept. However, the current proposal is unacceptable in several ways.

First, this draft of the PDDRP continues to limit the process to registered marks that were subject to a “substantive examination” prior to registration. We believe that the standard for a mark to be a basis for a PDDRP proceeding should be the same as that for inclusion in the Trademark Clearinghouse. There is no legal basis to distinguish between marks that have been subject to “substantive examination” and those that are not. A registration that is valid in the eyes of the sovereign nation that granted it should be valid for the PDDRP. This proposed distinction may raise issues of international and treaty law that ICANN should not inject itself into. Furthermore, there is no accepted definition of “substantive examination” under trademark law. The PDDRP should be open to all trademark registrations that are recognized in their country of origin.

Second, if the Threshold Review Panel determines that the Complainant has not met the Threshold Review criteria, the Provider should state the grounds for its determination. The Complainant should then be allowed, at the Threshold Review stage, to amend the Complaint to overcome these grounds, without the need for an additional filing fee. As it now stands, the Complainant would have to forfeit the substantial filing fee, re-file its complaint, pay a second filing fee, and go through another Threshold Review if its Complaint is rejected. This is punitive and a waste of resources.

Third, the parties should have the capacity to suspend the Threshold Review process by joint stipulation (*e.g.*, if the parties are engaged in settlement discussions). Indeed, the parties should be able to jointly stipulate that the PDDRP proceeding be suspended at any point.

## **VII. Costs**

Under the present draft rules, the Provider offers an estimate of costs for the proceedings which it administers. The speculative nature of these estimates – which are limited only by the undefined term “reasonable” and the Provider’s good faith – inject an untenable level of uncertainty into the proceedings. In the face of such uncertainty, many mark owners can be expected to naturally gravitate towards litigation, choosing to eschew the PDDRP. Further, by requiring that the Complainant pay, up front, the entirety of the Provider cost estimate, the policy maintains a decidedly unnecessary and unequal burden in a process allegedly directed at obtaining an efficient and just analysis of rights. We once again propose: (i) that the rules be altered to provide a cap on estimated costs, and that the nature of such costs be more fully defined; and (ii) that the requirement for a full Complainant outlay in the initial stage be replaced

by policies requiring that no payment (beyond the filing fee) be required until after the Threshold Review is completed.

### **VIII. Remedies**

The proposed rules prohibit the Expert Panel from recommending that infringing domain name registrations be deleted, transferred or suspended. Although this restriction would leave a successful Complainant with less than a full remedy, we recognize that the registrants of such domain names will not necessarily have been parties to the PDDRP proceeding, and the due process concerns involved in terminating their registrations in a proceeding in which they had no say.

However, those due process concerns would not apply where there is identity or some substantial connection between the registrant and the registry operator. In such cases, there should be no reason to stop at the partial remedy and leave the infringing domain names in place. We therefore strongly recommend giving the Expert Panel the authority to recommend deletion of domain name registrations where the registry operator is also the registrant, is an affiliate of the registrant, or has some other substantial connection with the registrant.

### **IX. Finality of Expert Panel Determination**

The proposed rule that ICANN can treat the Expert Panel's conclusions as merely advisory, and can make its own independent determination of what, if any, remedies to impose, will severely weaken the PDDRP in the eyes of potential Complainants. Entitling ICANN to alter the Expert Panel's conclusions, without any apparent standards or constraints, adds nothing to the process but uncertainty. It also provides an additional avenue for delay.

Previous comments from ICANN indicate that it alone should decide what remedies to impose against registries, because it has the contractual relationship with those registries. However, nothing prohibits ICANN from including in its Registry Agreements a requirement that the parties abide by the decision of the Expert Panel. Such binding arbitration provisions are common in commercial contracts. At minimum, ICANN should create PDDRP rules under which it will respect the decision of the Expert Panel unless that decision contradicts or falls outside the scope of the substantive terms of its Registry Agreements.

The value of the PDDRP to potential Complainants will be further reduced by the multiple and possibly redundant avenues of appeal open to the registry operator. Even beyond ICANN's unfettered discretion to reduce or eliminate remedies, the registry operator may either appeal the Expert Determination through the provider's process; initiate a separate dispute resolution procedure under the provisions of the Registry Agreement, or both. Neither of these two additional avenues of appeal is necessary.

### **X. Conclusion**

If ICANN wishes to provide an alternative dispute resolution procedure that provides a simpler, less expensive and quicker alternative to civil litigation, the amendments we have recommended to the current draft of the PDDRP are necessary in order to accomplish this objective. After all, the question is not whether the PDDRP favors Complainants or registry operators, but whether it

is sufficiently more attractive than litigation that potential Complainants will forebear from filing suit and file a PDDRP instead.

INTA Internet Committee Comments  
**Registry Restriction Dispute Resolution Procedures (RRDRP)**

## **I. Introduction**

Three overarching issues persist with the RRDRP procedure: (1) segregation of the procedures in the PDDRP and RRDRP; (2) the unpredictable nature of RRDRP proceedings related to expense, experts, and recommendations by panels; and (3) the lack of consistency of terms and provisions.

### **A. Combining the PDDRP and RRDRP is Appropriate**

As INTA previously recommended, the PDDRP and RRDRP should be combined into one procedure. The RRDRP and the PDDRP provide virtually identical administrative procedures to one another. The purposes differ in that one provides a remedy to trademark holders when a registry acts in bad faith and one provides a remedy to individuals and institutions associated with a community when a registry is not policing registrations within the agreed restrictions for a community-based restricted gTLD.

The provider(s) selected to implement both the RRDRP and the PDDRP will likely be the same. The procedures set forth in both the RRDRP and the PDDRP are very similar. Combining the RRDRP and the PDDRP will have several advantages:

- Efficiency;
- Ensuring uniformity in the processes;
- Ensuring consistent standards. For instance, the burden of proof in the RRDRP is currently a “preponderance of the evidence” standard; conversely, PDDRP Complainants must provide “clear and convincing evidence.”
- Reducing the likelihood of leaving any particular group without a remedy under the procedures;
- Avoiding a situation where a Complainant can plead alternative grounds for standing.
- Eliminating the possibility that changes will unintentionally be made to one procedure and not the other.

### **B. The Potential Expenses and Outcomes of the RRDRP are Highly Unpredictable.**

The RRDRP, as presently drafted, contains ambiguities and undefined costs that are likely to make it an unappealing method to resolve disputes. For instance and as more specifically explained below, Expert Panels are permitted to appoint an Expert (and even multiple Experts) at their complete discretion and over the objection of the parties. Also, the guidelines provide no caps on potential expert fees, and there remains a high degree of uncertainty in potential expenses of a proceeding, including the cost of discovery and hearings.

In addition to the uncertainties involving expense, the current guidelines provide that ICANN may, at its sole discretion, reject or amend the Expert Panel’s decision. Thus, parties may find

themselves spending unanticipated sums of money for a proceeding that may be completely undone at ICANN's hands.

The unpredictable nature and risks associated with RRDRP proceedings, as currently designed, will likely drive away potential Complainants, who would rather look to the courts for resolution. Complainants (and their counsel) are likely to favor litigation in courts over RRDRP proceedings due to the more predictable nature of expenses and the enforcement of remedies. Therefore, it is incumbent on ICANN to issue clear and enforceable guidelines.

## **C. Consistency of Terms and Provisions**

### **I. Standing**

In our April 1, 2010 comments we pointed out that limiting standing under the RRDRP to those associated with “defined communities” is unduly restrictive. The revised RRDRP retains this requirement in Section 5. Section 6 raises this requirement to a “strong association.” There will be legitimate RRDRP claimants outside the defined community, and certainly outside strongly associated communities. Please see the example of “.apple” provided in the previous comments. ICANN cannot anticipate all of the legitimate claims that might be raised from outside the defined communities, and should not exclude them en masse without a good reason to do so. Substantial filing fees and exposure to costs for a losing claim are more than sufficient to deter the merely curious from filing claims. Therefore, we recommend that ICANN delete the standing requirement, or adopt the same threshold used for oppositions under the Lanham Act, namely “any person who believes that he would be damaged by” the ultra vires actions of the registry. See Lanham Act 15 U.S.C. § 1063. We also recommend adding to Section 7 a requirement that the Complaint include a statement of standing.

### **II. Experts**

The potential costs associated with hiring third-party experts create significant uncertainty in the process and may discourage potential Complainants from utilizing the RRDRP to resolve disputes. Initially, RRDRP panelists are supposed to be “experts” in the field and, therefore, it is questionable why additional experts are necessary.

Permitting the dispute resolution provider to appoint Experts on its own motion and at the parties' expense is highly objectionable. It is unfair for the panel to introduce potentially outcome-determinative testimony through an expert that neither party has solicited and which neither party will be given a chance to cross-examine. It is particularly unfair to require the parties to shoulder an unknown expense for an expert that they had no role in selecting and whose testimony they may not have even felt was necessary to decide the case. Furthermore, Section 13 currently provides that the panel can appoint multiple Experts.

We previously suggested that if a panel is going to have complete discretion to select an expert, there must be strict limitations. None of these limitations were adopted or commented on by ICANN, despite the need. First, there should be a predetermined scale of fees for experts so that parties can accurately assess the potential costs of bringing a case. Second, the panel's intention

to appoint an expert should be communicated to the parties at the earliest possible stage, so that the parties may lodge objections. Finally, any appointed expert should prepare a report summarizing their conclusions and this report should be provided to the parties in sufficient time to allow the parties to present contrary arguments and evidence, potentially including a rebuttal from another expert. All of these materials should form the record presented to the panel for its consideration.

Because a panel's decision to retain an expert is highly capricious in cost, qualification, and utility, Section 13 should be revised in a way that mirrors the current language regarding RRDRP hearings, and specifically that the following statement be added to Section 13: "Disputes under this RRDRP will usually be resolved on written submissions and without appointing Experts. In the event the panel believes appointing an Expert is appropriate, the panel will not appoint more than one expert without the stipulation of both parties to the proceeding."

### **III. Remedies**

#### **A. Remedies Pertaining to Registrants Affiliated with Violating Registries.**

Section 16 now states that registrations made in violation of the agreement restrictions may not be deleted, transferred, or suspended as a remedy, since the registrant is not a party to the action. Where the registrant and registrar possess a unity of interest, however, deletion, transfer, or suspension of a domain name may be appropriate. For instance, a registry that owns or is affiliated with the registrant is likely to have particularly acted in bad faith in registering non-compliant domains. As such, as it pertains to affiliated registries and registrants, this special remedy should be permitted as the Expert Panel deems appropriate.

#### **B. "Malice" is Too Ambiguous and Requires Too High a Threshold.**

The term "malice" is not defined in the rules and, as commonly understood, would require evidence of some bad intent to harm another.<sup>8</sup> It may be difficult to establish extraordinary circumstances where the registry operator acted with malice under circumstances where the registry operator systematically/automatically registers or maintains domain names in violation of the agreement restrictions. As such, suspension of accepting new domains as provided in Section 16 should be permitted to include registry operators that acted in bad faith, with gross negligence, with malice, or that are repeat offenders of the agreement restrictions.

#### **C. The Provider Should Be Empowered to Enforce the Decision – Not ICANN.**

ICANN has stated that it will not be a party to the proceeding, and has stated that one of the benefits of the RRDRP is to "remove ICANN from particularized decisions on Internet content and the use of domains." As such, the Provider, not ICANN, should be empowered with the ability to impose remedies under the RRDRP. It seems highly improper for ICANN, which is

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<sup>8</sup> We acknowledge that in one area at least, "actual malice" under defamation law encompasses reckless disregard (not merely malevolent intent) as to whether the defamatory statement was true or false. However, there is no indication whether ICANN intends to adopt this somewhat counter-intuitive standard here.



not a party to the proceedings, to be authorized to reject or modify the Expert Panel's determination at its discretion.

Nonetheless, ICANN should retain some authority to change the decision of the Expert Panel in the event the decision is arbitrary or outside the scope of what is permitted under the registry agreement.

#### **IV. Conclusion**

If ICANN wishes to provide an alternative dispute resolution procedure that provides a simpler, less expensive and quicker alternative to civil litigation, the amendments we have recommended to the current draft of the RRDRP are necessary in order to accomplish this objective.

Thank you for considering our views on these important issues. Should you have any questions regarding our submission, please contact INTA External Relations Manager, Claudio Digangi at: [cdigangi@inta.org](mailto:cdigangi@inta.org)