



European Communities Trade Mark Association



**Comments of MARQUES, the Association of European Trade Mark Owners and
ECTA, the European Communities Trade Mark Association on New gTLDs
Programme - Draft Applicant Guidebook, Version 4 and Explanatory Memoranda**

21 July 2010

About MARQUES and ECTA

ECTA is the European Communities Trade Mark Association. ECTA numbers approximately 1500 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.

Comments

MARQUES and ECTA are concerned that the measures to protect IP in the new gTLD process, as presented in DAG4, do not offer sufficient protections to trade mark owners or do not protect consumers from confusion.

MARQUES and ECTA appreciated the efforts made by the ICANN staff and community to find consensus around these measures. Unfortunately, it is our view that this process has diluted the measures to the point where they are barely fit for purpose.

We recommend that the ICANN staff turns once again to qualified IP experts to craft a package of measures that will be effective, in the same way as it turns to experts in security or IDNS to craft measures in these areas. ICANN should, alternatively, return to the original recommendations in the IRT report - a balanced set of recommendations to protect IP holders that have, unfortunately in our view, been considerably watered-down.

We believe that WIPO, an international treaty organisation, could have a key role in this process; perhaps chairing a small team that gathers evidence from all parts of the community prior to drafting revised measures. It could use the IRT's original proposals as the starting point.

To satisfy the broader community, ICANN could instigate a review of such measures after, say, 2 years of operation. However, we believe that for these first two years of the new gTLD process, it will be prudent for ICANN to have strong measures in place from the outset. It will be considerably better to have strong initial measure that can liberalised, if necessary, rather than weak measures that cause disruption to registries and registrars as IP owners turn to the courts. Trying to strengthen IP protection measures at a later stage will be very difficult.

Our specific concerns are:

Uniform Rapid Suspension

The URS model was designed “to provide a cost effective and timely mechanism for brand owners to protect their trade marks and to promote consumer protection on the Internet. The URS is not meant to address questionable cases of alleged infringement (e.g., use of terms in their generic sense) or for anti-competitive purposes or denial of free speech, but rather for those cases in which there is no genuine contestable issue as to the infringement and abuse that is taking place.” (IRT Original Report: <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trade-mark-protection-29may09-en.pdf>)

The table below compares the original URS as proposed by the IRT to the version in DAG4. It clearly shows that the URS is no longer rapid; it has become complex (with a higher burden of proof than the UDRP), burdensome (5,000 words instead of a pro-forma complaint) and unworkable (examiners do not need any understanding of IP and may dismiss a complaint if they can imagine a defence).

URS watering-down

	Original under IRT	In Dag 4	Issues with Dag 4 Version
Format	Pro-forma complaint with copy of Whois and webpage	5,000 word limit on complaint	<i>Lengthy: who will afford to be a panellist? Will ICANN subsidise the URS?</i>
Cost	From \$200	From \$300	<i>More expensive</i>
Timing	Site down and domain locked in 21 days	Up to 47 days with possibility of De Novo review for two years	<i>An eUDRP can take 35 days – 12 days less than the maximum under. URS DAG4</i>
Panellists	Expert panellists experienced in IP; case allocation left to panel provider	Legal background; must be rotated	<i>May have no experience of IP or trade marks; rotation may lead to shortage of examiners in some jurisdictions</i>

	Original under IRT	In Dag 4	Issues with Dag 4 Version
Standard for decisions	Based on a preponderance of the evidence, i.e., is it more likely than not that the required element has been proven?	Based on clear and convincing evidence that there is no genuine contestable issue	<i>Where there is any open question of fact, defendant wins (e.g.: "My dog is named KODAK")</i>
Default decision	Name locked and re-pointed to website with standard wording	Dismissal of case if examiner thinks a defence would have been possible	<i>Some type of defence can always be imagined</i>
Appeal	Reconsideration by Ombudsman or appeal to relevant court	Defaulting respondent can apply for de novo panel review for up to two years	<i>Uncertainty for brand owner during two years. If domain expires and is bought by third party in this year, could new owner be enjoined in a dispute?</i>

To remedy the URS, ICANN should return to the version proposed by the IRT and improve it by making it:

- **Faster:**
21 days at most. Most IP owners prefer 14 days – after all this is meant for "slam dunk" cases of cyber-squatting where an infringing website can be seen;
- **Simpler:**
A pro-forma complaint should be submitted with a copy of the Whois and website copy (not a 5,000 word complaint);
- **Practical:**
It should only be for cases where there is no real contestable issue;
- **Efficient:**
examiners should have experience of UDRP; be qualified IP practitioners and all should undertake mandatory training; and
- **Reasonable:**
Remove the "Questionable Fact" defence and "dismissal if examiner thinks defence would have been possible".

Furthermore, the concept of "Loser Pays" should be looked at again and the URS should be open to all trade mark owners without discrimination, provided their registration is current.

Trade mark Clearinghouse

There is a political issue that needs to be resolved. If the Clearinghouse is now allowed to accept for validation trade marks from jurisdictions that do not undertake what ICANN calls “substantive review”, will ICANN provide a list of these jurisdictions?

It is unfair to expect the operators of the Clearinghouse to decide which marks from which jurisdictions can be included. Discriminating between official trade mark registries is not a role for the Clearinghouse operator or an appropriate issue upon which ICANN itself has any standing to influence.

We believe that ICANN should create a proper definition of “substantive review” or better still abandon the idea in favour, for example, of “review on absolute grounds”. The term “Substantive Review” is not a legal definition. On our behalf, a MARQUES representative asked ICANN to define what it meant by “substantive review” in the session on IP protections in the new GTLDs at the Nairobi Board Meeting. As far as we are aware, ICANN has not yet answered this question.

Post-Delegate Dispute Resolution Policy

The PDDRP is not adequate as currently drafted. ICANN not only wants to limit its involvement in the process of policing bad actor registries, but also reduces the basis for trade mark owners to do so. This is not a responsible position.

We recommend that ICANN appoint a third party agency to undertake an annual audit of each registry operator, including on-site visits.

We recommend that there should be enhanced wording in the accreditation agreements to specifically ban “warehousing” and other known bad practices. A registry operator found to have breached its obligations should face a heavy fine for a first offence and suspension for a second offence. ICANN ought to be able to terminate the agreement in appropriate circumstances.

To protect registry owners who are exposed by registrants, we support the WIPO proposal of creating safe harbour defences. However, the PDDRP must address “wilful blindness” if ICANN is serious about protecting consumers and IP owners.

Conclusion

From the moment that the Globally Protected Marks List was unilaterally removed from the IRT’s recommendations by the ICANN staff without consulting the community, members of MARQUES and ECTA have been concerned by the dilution of rights protection measures in the new gTLD process.



European Communities Trade Mark Association



The Globally Protected Marks List would reduce both the risks of confusion and consumer harm. It would also reduce the burden on trade mark holders by reducing brand abuse, cyber squatting and the every-increasing costs associated with monitoring, enforcing and/or defensively registering at the second level.

In the case of the URS, a fair measure has been reduced to a something that is almost the exact opposite of what the IRT intended when they created it.

Consequently, MARQUES and ECTA require ICANN staff and Board to review the current Draft Applicant Guidebook and adapt it in order to respond positively to our concerns. If they do not, and the proposed measures to protect IP remain as weak as proposed in DAG4, members of MARQUES and ECTA will appeal to national governments and other bodies.

Submitted by:

Nick Wood

Chair

MARQUES

CyberSpace

Team

info@marques.org

www.marques.org

Andrew Mills

Chair

ECTA Internet Committee

ecta@ecta.org

www.ecta.eu