

Business & Commercial Users' Constituency (BC)

Position/Comments on New gTLD Draft Applicant Guidebook, v.4

Rights Protection Mechanisms

The Commercial and Business Users Constituency (BC) welcomes the opportunity to comment on version 4 of the Draft Applicant Guidebook, specifically ICANN staff recommendations for Rights Protection Mechanisms (RPMs).

As noted in prior BC comments and positions, the BC has been concerned that ICANN is embarking on a process for rolling out new gTLDs without adequate consideration for the managing of the process in an orderly manner that appropriately protects business users of the Internet and users at large, in equal measure. We look to ICANN staff to remediate these concerns by integrating the comments noted herein into the final version of the Applicant Guidebook.

The Rights Protection Mechanisms proposed were offered by the Implementation Recommendation Team (IRT) as a package ("tapestry") for an important reason. Each remedy solves a different problem at a different part of the process. By making some RPMs optional, eliminating some and weakening others, that package is diluted from a minimum baseline of necessary solutions to a series of proposals that do not scale nor adequately address the rights to be protected and concerns of BC members.

Uniform Rapid Suspension [of domain names] (URS):

The BC recommended a long list of changes to make the URS more effective. These changes were not included in the current version of the DAG. The URS as currently structured cannot, under any interpretation, be considered an "expedited" process as it was originally intended. The time line for the URS, after adding in the days and weeks from the date of filing through the notice of appeal, will wind up being equal to or longer than filing a UDRP, and with less certainty for the complainant using this process.

1. The BC had urged that successful complainants must have option to transfer the name or cancel, if no appeal filed within 90 days from date of URS decision.
 - a. Successful complainant must also have option to have domain suspended until end of its current registration term, and then indefinitely flagged
 - b. Flag shall be recorded in clearinghouse so that if anyone seeks to register such name(s) again, they would get a notice.

The BC is disappointed to see that no such transfer option was included in the URS. Instead, the domain name is only frozen for a limited period of time, with the likelihood that the name will be misappropriated again by another cybersquatter. The brand owner is placed in a perpetual monitoring situation.

Regarding the BC's proposal for a 90 day appeal period, the URS, disturbingly, permits registrants who default up to two full years to appeal following the initial decision. This timeline alone strips all certainty for businesses who would even consider using the URS process.

2. As indicated in the BC's Minority Position to the Initial Report on Specific Trademark Issues, the BC raised serious concerns not only with the lack of transfer issue and the absence of expedited timing, but also questioned whether the URS would ever be used given the higher evidentiary standard, which requires that cases be established by "clear and convincing evidence." As stated in the BC Minority Report:

"As it looks, the cost of preparing and filing a URS is not likely to be dramatically cheaper or faster than filing a UDRP, as the evidentiary standard is even higher; and the time to resolution also does not appear to be dramatically different if the URS plays out its entire life...to the point where the complainant would have to file a UDRP or court action anyway, in order to control the domain name. Thus, what is the benefit of this new RPM, and will it ever be used?"

3. The BC also urged that complainant abuse shall be defined same as Reverse Domain Name Hijacking under UDRP. The latest URS proposal, however, permits a finding that the complaint contained a deliberate material falsehood if it contained an assertion of fact, which would have "an impact" on the outcome. The "impact" test is too low.

4. The BC in its Minority Report urged ICANN to "undertake a feasibility study before any decision is made by the Council or Board, which attempts to resolve two questions: (1) will the URS, as framed, be implementable as a sustainable business model; and (2) would it be more sustainable if transfer were allowed (i.e., how many more complainants would use it?"

Trade Mark Clearinghouse:

The BC had made a number of prior recommendations about structuring the Trademark Clearinghouse, including the following:

1. Sunrise processes must be standardized and mandatory.
2. The definition of identical match should:
 - a. At least be the same as IRT;
 - b. should also take into account singular and plural of the Mark; and
 - c. take into account typographical variations (for typosquatting)
3. TM notices (misnamed "IP claims") must be mandatory:
 - a. All applications for new TLD domain registrations will be checked against the TMC, regardless whether application is during sunrise period or thereafter (i.e. IP Claims should be available post launch)
 - b. If applied-for domain string anywhere contains text of trademark listed in TMC, then TM notice given to applicant per proposal listed in Staff recommendation, if domain is registered then TM owner is notified

- c. TM owners will have option also to trigger notices in the event that applied-for domain string includes the trademark string altered by typographical errors, as determined by an algorithmic tool. For example, yaho0.new would trigger a notice if Yahoo! elected to exercise this option.
- d. Domain applicant must affirmatively respond to the TM notice, either on screen or email, and registrar must maintain written records of such responses for every domain name. TM owner must get notice of every registration that occurs.
- e. The TM Notice should allow registrant to have the option of stipulating their intended purpose.

Unfortunately, the Trademark Clearinghouse as proposed cannot be considered a genuine trademark “remedy” or rights protection measure. It is a database only and one that shifts costs (there appear to be no caps on pricing) to businesses. The current proposal limits trademarks to “text marks” (undefined) for use by trademark claims services or sunrise services. Disturbingly, the revised proposal continues to limit the Clearinghouse procedures to identical matches. Because most instances of cybersquatting involve variations and misspellings of marks, the practical use of the Clearinghouse would be diluted.

Globally Protected Marks List (GPML):

The BC sees the continued rejection of the GPML as a major setback as it leaves open the issue of defensive registrations without any solution being made available to address or remedy this problem related to the launch of new gTLDs.

Absence of this from the Proposed RPMS means that TM holders and Businesses will HAVE TO undertake Defensive Registrations. Effectively PAY for unwanted domains in EVERY new gTLD.

With this in mind, the intended pro-competitive impact of new gTLDs would be undermined due to such defensive registrations. This therefore, simply imposes an additional cost on business and individual users of the domain name system.

Post Delegation Dispute Resolution Procedure:

The BC had raised significant concerns about the limitations in scope and effectiveness of the last proposed PDDRP as compared to the IRT Report recommendation. The latest proposals for a “Trademark PDDRP” and a separate “Registry Restriction RRDRP” are unnecessarily duplicative.

Not only were the prior substantive concerns of the BC not addressed in the latest PDDRP, but ICANN now requires an unreasonable “clear and convincing evidence” standard for establishing the burden of proof. This standard likely could not be met by many complainants in the absence of discovery and full blown litigation. It is equally unclear why the Registry Restrictions PRDRP only requires that the

complainant establish its allegations by a “preponderance of the evidence.” The preponderance standard should apply to both uses of the procedure. In addition to having to prove a trademark claim by “clear and convincing” evidence, the complainant must also prove not only “bad faith,” but “specific bad faith intent,” a standard once again higher than that found in the UDRP.

As the BC submitted earlier, the use of the PDDRPs must allow an effective remedy in cases where the registry has breached its obligations in its gTLD application, its registry agreement or when it engages in wilful action leading to trademark obligations. As written, the PDDRP processes likely will be used infrequently, if at all, to accomplish these goals. Finally, ICANN’s ability to view the PDDRP decisions as simply advisory further undermines the credibility and integrity of the PDDRP process. It fails to provide certainty to businesses, and their users that ICANN will take the necessary steps to prevent abuses across the new gTLDs.

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