



Intellectual Property Constituency (IPC) Comment on Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes

August 17, 2016

A. Introduction

The GNSO Intellectual Property Constituency (“IPC”) appreciates this opportunity to comment on the “Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes” (<https://www.icann.org/en/system/files/files/proposed-measures-two-char-08jul16-en.pdf>) developed by ICANN staff.

These proposed measures arise from the requirements imposed upon registry operators by Section 2 of Specification 5 of the New gTLD Registry Agreement, which provides:

Two-character labels. All two-character ASCII labels shall be withheld from registration or allocated to Registry Operator at the second level within the TLD. Such labels may not be activated in the DNS, and may not be released for registration to any person or entity other than Registry Operator, provided that such two-character label strings may be released to the extent that Registry Operator reaches agreement with the related government and country-code manager of the string as specified in the ISO 3166-1 alpha-2 standard. The Registry Operator may also propose the release of these reservations based on its implementation of measures to avoid confusion with the corresponding country codes, subject to approval by ICANN. Upon conclusion of Registry Operator’s designation as operator of the registry for the TLD, all such labels that remain withheld from registration or allocated to Registry Operator shall be transferred as specified by ICANN. Registry Operator may self-allocate and renew such names without use of an ICANN accredited registrar, which will not be considered Transactions for purposes of Section 6.1 of the Agreement.

The proposed measures identify three steps registries should take to “avoid confusion” in the release of these 2-letter ASCII labels: provide an exclusive availability pre-registration period for these labels for governments and ccTLD managers; require certain representations from registrants of these labels; and act on post-registration complaints.

IPC opposes the requirement of the first measure, but does not object to the other two.

B. The IPC does not support the proposed measures if these will not be considered exhaustive

While noting the IPC’s general objection to restrictions on the use of country codes as explained in Part C below, the IPC raises as an initial concern the failure of the proposed measures as currently drafted to specify that their implementation will satisfy the registry operator’s requirements under the third sentence of Section 2 of Specification 5 of the New gTLD Registry Agreement as set out above.

The IPC believes that to the extent that measures can be developed that are specifically targeted at and motivated by preventing user confusion (rather than by protecting government interests which have no legal basis), and to the extent that those measures impose clear and explicit evidentiary requirements for demonstrating confusion, then transparency and predictability depend upon registry operators being able to rely on those measures and not be subjected to further ad hoc government requests.

Thus the IPC does not support the “Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes” if these are not explicitly identified as an exhaustive list of requirements, satisfaction of which equates to compliance with the third sentence of Section 2 of Specification 5 of the New gTLD Registry Agreement.

C. The IPC does not as a general principle support restrictions on the use of country codes

The IPC relies in this comment on its established position on the use of geographic names. In doing so, the IPC notes that the issue of the use of country codes in the DNS has to date been conceptually linked with the broader issue of the use of country and territory names. Examples of this conceptual linkage are provided by the Purpose and Scope of Activities of the ccNSO Non-PDP Study Group on the Use of Names for Countries and Territories¹ and the Charter of the Cross-Community Working Group on the Use of Country/Territory Names as TLDs,² both of which defined “country and territory names” to include country codes. Thus in commenting on proposals restricting the use of country codes at the second level in new gTLDs, the IPC refers back to previously-stated positions on restrictions on the use of geographic names.

The IPC’s position on restrictions on the use of geographic names is set out in detail, with supporting reference to relevant provisions of international law, in comments submitted in December, 2014³ on a proposal developed by what was at that time a sub-working group of the GAC dealing with the “protection of geographic names in next rounds of new gTLDs”.⁴ Rather

¹ <http://ccnso.icann.org/workinggroups/use-of-names-statement-of-purpose-31jan10-en.pdf>

² <http://ccnso.icann.org/workinggroups/unct-framework-charter-27mar14-en.pdf>

³ https://gacweb.icann.org/display/gacweb/Community+Input+-+The+protection+of+Geographic+Names+in+the+New+gTLDs+process?preview=/35455403/36701113/12312014%20-%20IPC%20-%20Comments%20on%20GAC%20Sub-Working%20Group%20Proposal%20on%20Geographic%20Names_FINAL.pdf

⁴ “The protection of geographic names in the new gTLDs process: V3” (Aug. 29, 2014).

than duplicate those comments, which clearly form part of the public record on this issue, the following key points are extracted to serve as a summary here:

1. The imposition of government consent requirements on the use of geographic names in the DNS – irrespective of the level of the DNS at which such names are used – is not supported by international law, including the principle of national sovereignty.
2. The recognition of private rights in trademarks and trade names contradicts any governmental claim to exclusive rights in geographic names.
3. The recognition of private rights in geographical indications further contradicts any governmental claim to exclusive rights in geographic names.

Fundamentally, the second sentence of Section 2 of Specification 5 of the New gTLD Registry Agreement, which requires that a registry operator reach “agreement with the related government and country-code manager”, is a consent requirement premised on an assumption of governments possessing priority or exclusive rights in country codes. Unlike the registry agreements of legacy gTLDs, this consent requirement of the New gTLD Registry Agreement does not make clear that the purpose of initial reservation is “to avoid confusion with the corresponding country codes”.⁵

That Section 2 of Specification 5 of the New gTLD Registry Agreement is motivated primarily by governments’ desires to protect interests in country codes and not by desires to prevent user confusion is evidenced by the “Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes”, in particular the proposed pre-registration period of “exclusive availability... to the applicable country-code manager or government”. While it is obvious how the proposed exclusive availability pre-registration period will be effective at protecting governments’ claims to interests in country codes, the “Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes” fail to specify how exclusive availability to governments and country-code managers will be effective at *preventing user confusion*.

As the IPC has previously opined, there is no international law that recognizes priority or exclusive government rights or interests in geographic names (which to date have been interpreted to include country codes). The IPC therefore reiterates that it does not as a general principle support restrictions to protect government interests in country codes or geographic names more broadly.

D. The proposed exclusive availability pre-registration period is not consistent with WIPO and GNSO policy recommendations

The IPC notes that the proposed exclusive availability pre-registration period is inconsistent with recommendations of the World Intellectual Property Organization (WIPO) Standing Committee

⁵ See for example, .com Registry Agreement (1 December 2012), Appendix 6: Schedule of Reserved Names, clause B, at <https://www.icann.org/resources/pages/appendix-06-2012-12-07-en>.

on the Law of Trademarks, Industrial Designs and Geographical Indications. That committee has previously rejected the approach of reserving or blocking geographic names due to a lack of support in international law,⁶ and instead recommended incorporating geographic names into the scope of the existing Uniform Domain Name Dispute Resolution Policy (UDRP).

The proposed exclusive availability pre-registration period is also inconsistent with the conclusions of the GNSO's Reserved Names Working Group ("RNWG"), which, noting WIPO's concerns and findings, stressed the need to "ensure that 'there is a solid and clear basis in existing international law which can be applied so as to prevent erosion of the integrity of geographical indicators and enhance the creditability of the DNS'."⁷ The RNWG recommended in its Final Report⁸ that the practice of reserving geographic domain names should be discontinued unless national law required otherwise or a country expressly supported the guidelines of WIPO's Standing Committee on Law of Trademarks, Industrial Designs and Geographical Indications. The RNWG further recommended that a challenge mechanism, reinforced by a representation made by a domain name applicant "that the use of the proposed string is not in violation of the national laws in which the applicant is incorporated", would be sufficient to prevent user confusion.⁹ The IPC supports these recommendations of the RNWG and considers them relevant to the development of measures designed with the specific purpose of preventing user confusion arising from the use of two-letter second-level domains in gTLDs.

E. The consistency of the proposed exclusive availability pre-registration period with Trademark Clearinghouse Rights Protection Mechanism Requirements must be demonstrated

Consistent with its earlier comments on the use of geographic names, the IPC notes that Section 2 of Specification 5 fails to acknowledge or account for the rights of trademark holders. The "Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes" indicate that the proposed exclusive availability pre-registration period will not contradict the existing Trademark Clearinghouse Rights Protection Mechanism Requirements, which notably include a sunrise supported by the Trademark Clearinghouse. In order to achieve this compliance with the Trademark Clearinghouse Rights Protection Mechanism Requirements the IPC considers that the proposed exclusive availability period must occur after the trademark Sunrise, or could run concurrently for an End Date Sunrise provided that names are first allocated to trademark Sunrise applications before being allocated to governments.

⁶ WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Report of the Ninth Session, Geneva, November 11 to 15, 2002*, SCT/9/9 (May 2, 2003). ¶ 149, at http://www.wipo.int/edocs/mdocs/sct/en/sct_9/sct_9_9.pdf

⁷ GNSO, Reserved Names Working Group Final Report, at Annex Five: Geographical and Geopolitical Names Sub-group Report (*quoting* WIPO, WIPO II Report, para. 238), at <http://gnso.icann.org/en/issues/new-gtlds/final-report-rn-wg-23may07.htm>.

⁸ GNSO, Reserved Names Working Group Final Report, Recommendation 22.

⁹ GNSO, Reserved Names Working Group Final Report, Recommendation 20.

Whilst the IPC strongly opposes the proposed exclusive availability period for the reasons set out above, to the extent that such a measure is imposed (or voluntarily adopted) the IPC requests that ICANN staff conduct further work with input from the community to carefully explore and explain the interrelationship between the existing Trademark Clearinghouse Rights Protection Mechanism Requirements and the proposed measures for satisfying Section 2 of Specification 5 of the New gTLD Registry Agreement.

F. The IPC does not object to the proposed registration policy requirement

The IPC does not object to the proposed requirement upon registry operators to represent “that the registrant of a letter/letter two-character ASCII label will take steps to ensure against misrepresenting or falsely implying that the registrant or its business is affiliated with a government or country-code manager if such affiliation, sponsorship or endorsement does not exist.

This requirement has clear conceptual roots in laws restricting unfair competition. At the level of international law, Article 10*bis* (1) of the Paris Convention for the Protection of Industrial Property requires that members of the Paris Union provide “effective protection against unfair competition”. The definition of “unfair competition” provided by Article 10*bis* (2) and (3) of that convention is illustrative rather than exhaustive, but at a high level covers “[a]ny act of competition contrary to honest practices in industrial or commercial matters”.

The IPC believes that the proposed registration policy requirement is not inconsistent with the basic principles or purposes of unfair competition law or with the lawful exercise of trademark owners’ rights. Further, the IPC believes that this requirement has a clear nexus to preventing user confusion, and does not inappropriately validate or recognize governments’ claims to rights in geographic names (which to date have been interpreted to include country codes) which are not validated or recognized under international law.

The IPC therefore does not object to the proposed registration policy requirement.

G. The IPC does not object to the proposed post-registration complaint investigation, but believes that explicit rules are required in relation to demonstrating confusion

Finally, the IPC does not object to a requirement upon registry operators to take steps to address reports of conduct that causes confusion with a corresponding country code, but believes that in order to be transparent and effective, this requirement must be supplemented with clear, explicit rules setting out the evidence required to demonstrate confusion. In particular, the proposal to assimilate this measure to the obligation under Section 2.8 of the Registry Agreement to respond to reports of illegal conduct may itself be misleading, since the conduct in question may not be illegal and does not involve “protection of the legal rights of third parties,” as stated in the title of that section. The IPC believes that clear, explicit rules are essential to preventing disputes involving governments, registrants, registry operators and ICANN, and to preventing impediments to the lawful exercise of trademark owners’ rights.

H. Conclusion

In conclusion, the IPC reiterates its standing objection to restrictions on the use of country codes for the purpose of protecting governments' interests in those codes or geographic names more broadly.

The IPC does not support the "Proposed Measures for Letter/Letter Two-Character ASCII Labels to Avoid Confusion with Corresponding Country Codes" if these are not explicitly identified as an exhaustive list of requirements, satisfaction of which equates to compliance with Section 2 of Specification 5 of the New gTLD Registry Agreement.

The IPC also does not support the proposed exclusive availability pre-registration period because its purpose and function is to protect government interests which are not recognized under international law, and further because it is not consistent with relevant standing WIPO and GNSO policy recommendations.

The IPC does not object to the proposed registration policy requirement or the proposed post-registration complaint investigation, provided that it is made clear that the purpose of these measures is to prevent user confusion and not to protect governments' claims to rights in country codes. In relation to the proposed post-registration complaint investigation the reference to Section 2.8 of the New gTLD Registry Agreement is inappropriate since this is not a matter involving the rights of third parties nor illegal conduct. The IPC requests that additional work be undertaken by ICANN staff with the input of the community to develop explicit rules setting out the evidence required by government agencies to demonstrate confusion.

The IPC additionally requests that additional work be undertaken by ICANN staff with the input of the community to clearly demonstrate that all proposed measures are consistent with the existing Trademark Clearinghouse Rights Protection Mechanism Requirements.

Respectfully submitted,

Intellectual Property Constituency