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Com Laude and Valideus Comments on ICANN's Preliminary Issue Report on a GNSO Policy Development Process to Review All RPMs in All gTLDs

Com Laude is a corporate registrar which provides domain name management and online brand management services to businesses. Com Laude's clients consist of brand owners as well as law firms and service providers to brand owners. Com Laude also acts as an official Trademark Clearinghouse (TMCH) agent. Com Laude recorded over a thousand trade marks in the TMCH for clients from a variety of sectors. Com Laude has also received Trademark Claims notices on behalf of its clients and made extensive use of Sunrise Periods and registry-specific RPMs in managing clients' domain name registrations in new gTLDs.

Com Laude's sister company, Valideus provides new gTLD consultancy and registry management services to prospective and existing new gTLD registry operators. Valideus has advised its clients on the implementation of the RPMs as part of their ICANN compliance obligations. Having worked with a number of .Brand and Community registries, it has substantial experience on the applicability of the RPMs from a registry operator's perspective.

Valideus also helps Geo and Community registries to "get the right names into the right hands" through the provisions of registrant validation services.

Com Laude and Valideus welcome the opportunity to comment on the Preliminary Issue Report on a Policy Development Process (PDP) to Review All Rights Protections Mechanisms (RPMs) in All gTLDs (the Preliminary Issue Report). The Preliminary Issue Report asks for input on the best way to structure any such PDP, giving three possible options, and seeks views on the potential issues identified for inclusion into a PDP Charter relating to each of the RPMs.

1. Overarching Question

The various RPMs were developed with the aim of "combatting cybersquatting and providing workable mechanisms for trademark owners to either prevent or remedy certain illegitimate uses of their trademarks in the Domain Name System (DNS)". An overarching question for any PDP to review these RPMs, therefore, must be whether they have adequately achieved that aim. In considering that question two additional elements, not identified in the Preliminary Issue Report, should be taken into consideration:

a. A review of the RPMs requires a holistic assessment of the environment in which they operate, since the utilization and effectiveness of any one RPM is impacted by the other RPMs available as an alternative. This would therefore include the registry-specific RPMs,

such as the Domains Protected Marks List (DPML) of Donuts and other registry operators, notwithstanding that these are not "policies and processes, developed in consultation with the ICANN community".

b. A review of the RPMs to determine whether they have adequately achieved their aim ought also to consider whether or not that aim would have been better achieved with the inclusion of the concept of a Globally Protected Marks List, as was proposed by the Implementation Recommendation Team (IRT). The IRT proposed a suite of RPMs in its Final Report and stated that "each proposal presented herein is part of a tapestry of solutions which are interrelated and interdependent … designed comprehensively to balance in relation to one another and the removal of any of the proposals will likely require further strengthening of the others". A review of the RPMs ought therefore to include an assessment of whether the removal of one of the proposals, without such strengthening of the others, served to weaken the protection overall.

2. Should the UDRP be included in any Review

A number of comments submitted to date in relation to this Preliminary Issue Report, including those of WIPO, have cautioned against reviewing the UDRP, on the basis that in the 15 years it has been operating it has come to be recognized as an international policy success, has built up a significant body of predictable jurisprudence and that competing wish-lists could lead to destabilization. Whilst completely supportive of the UDRP, and of these concerns, we would like to make the following points:

a. As mentioned above, in our view any review of the RPMs must take into account the landscape in which they operate. At a minimum, therefore, the level of utilization of the UDRP, as an alternative remedy, should be considered when reviewing the utilization of the URS, in cases where both would have been available to the trademark owner.

b. Any procedure which has been operating for 15 years without any review really ought to be subject to some assessment of whether it has met the objectives for which it was created, and whether it continues to do so. This need not mean that any such review would result in wholescale change, but could consider, for example, procedural changes to keep pace with changes to technology and business practices (such as the adoption of electronic filing which has already occurred).

c. Generally, Com Laude's clients would wish to see a "loser pays" model. There is no doubt that the UDRP is a significantly less costly, and more convenient, means of dealing with cybersquatting for the trademark owner than being reliant on court proceedings. For many trademark owners, however, this does not mean that it is a cost-effective and affordable option, save in the most egregious cases, whereas for the cybersquatter the financial risk is minimal. The introduction of some element of cost-recovery for the successful claimant would substantially redress this balance.

d. There remain issues of compliance with the current UDRP, in particular with Registrars who do not transfer names as required at the conclusion of the proceedings. Consideration should be given to the adoption of meaningful and effective sanctions to address this.

e. There could be real benefit, at some point in the future, in considering combining the URS with the UDRP in such a way that there is a single set of rules and a gradation of fees. The URS would become an expedited procedure with swift suspension of the name where the

registrant does not respond, and with the option of utilizing the fuller procedure where required.

3. Structure and Timing of any Review

Subject to the comments made at paragraph 2a above about the need to review the RPMs in the context of the overall landscape, we consider that if there is to be a review of the UDRP it would probably be necessary to uncouple this from the new gTLD RPMs (i.e. option 3). The URDP has been operating for 15 years and thus any comprehensive review would likely be time consuming. The RPMs adopted for the new gTLDs, on the other hand, are more recent, any review would involve less data and would likely be less time-consuming. It would also clearly be desirable for any review of the new gTLD RPMs to be conducted before any future round, whereas the same is not the case for the UDRP.

4. Comments on the Potential Issues Identified

We agree that the potential issues identified in section 3.2.2.3 seem appropriate for consideration during any PDP. Since the issues would need to be addressed substantively by the PDP itself we do not propose to comment on these in detail, but would like to make the following few additional points:

a. Trademark Claims

Included with the list of issues identified for the Sunrise and the TMCH is the question of extension beyond identical matches, however there is currently no corresponding question in relation to the Trademark Claims. As was identified by many of the respondents to the draft Report on the RPMs, many trademark holders consider the limitation of the Trademark Claims service to identical matches to be one of its main shortcomings. A consideration of the Trademark Claims service ought therefore to also consider the question of whether these should extend beyond identical matches to plurals and "marks plus".

Also identified by our clients, for the purposes of responding to the draft Report on the RPMs, as a significant shortcoming is the fact that the trademark holder is not notified of the intention to register the domain name in advance, but only after the fact, meaning that there is no opportunity to engage in a dialogue with the potential registrant. An additional question for consideration in any PDP to review the RPMs, therefore, would be whether notices to the trademark owner ought to be sent **before** the domain is registered.

b. **Sunrise**

We consider that the questions of Sunrise pricing and the treatment of Premium and Reserved names by Registries are highly relevant to a review of the RPMs, and must be considered as part of any such review. As identified by a number of respondents to the draft Report on the RPMs, many trademark holders have reported being offered names during the Sunrise at prices significantly higher than those for general availability, often prohibitively so. This is exacerbated where terms corresponding to the trademark have been designated by some registries as Premium names, attracting even higher prices.

We recognize that the matter of pricing raises difficult issues, and that all registries should not be constrained by over-strict rules to follow the same business and pricing models. Nevertheless, there is a point at which pricing ceases to be a legitimate business model in a

competitive market and undermines the RPMs. It is not acceptable for ICANN to state that it has no role in relation to registry pricing, when that pricing is fixed at such a level that the RPMs, far from affording the trademark owner protection, appear to be used as a cynical means of extorting the maximum revenues from them.

Thank you for considering these points.

Yours sincerely,

/s/

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