Submitted to: comments-rpm-prelim-issue-09oct15@icann.org

November 30, 2015

Ms. Mary Wong
Senior Policy Director
ICANN
12025 Waterfront Drive, Suite 300
Los Angeles, CA 12025

Re: Preliminary Issue Report on a GNSO Policy Development Process to Review All Rights Protection Mechanisms in all gTLDs

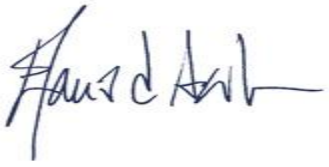
Dear Ms. Wong:

The International Trademark Association (INTA) is pleased to submit the enclosed comments regarding the Preliminary Issue Report on a GNSO Policy Development Process to Review All Rights Protection Mechanisms (RPMs) in all generic Top-Level Domains (gTLDs).

INTA also is pleased to see that the discussions around RPM review are starting early and that ICANN aims to create efficiencies with the process. Nonetheless, INTA is strongly opposed to opening the Uniform Dispute Resolution Policy (UDRP) to review as the UDRP has been functioning efficiently and well for over fifteen years. It is important to maintain this effective mechanism which combats the most blatant instances of cybersquatting within the domain name system. Any review or subsequent modifications could jeopardize the benefits that the UDRP is intended to provide to trademark owners.

Should you have any questions about our comments, I invite you to contact Lori Schulman, INTA's Senior Director of Internet Policy at 202-261-6588 or at lschulman@inta.org.

Sincerely,



Etienne Sanz de Acedo
Chief Executive Officer

Enclosure

INTA Comment on
"Preliminary Issue Report on a Policy Development Process to Review All Rights Protection Mechanisms in All Generic Top-Level Domains"

On October 9, 2015, ICANN published the Preliminary Issue Report on a Policy Development Process to Review All Rights Protection Mechanisms in All Generic Top-Level Domains ("Preliminary Report") for public comment. ICANN Staff has requested community feedback on three process proposals devised by Staff. Generally, the comment seeks guidance on whether and how to consider the rights protection mechanisms developed in conjunction with the New gTLD Program ("RPMs") and/or the Uniform Dispute Resolution Policy ("UDRP"), and whether and how to consider the Consumer Choice, Competition and Trust ("CCT")Review within this RPM review.

INTA appreciates that ICANN is evaluating the effectiveness of the new RPMs, which were an underpinning of community support for the New gTLD Program. INTA is pleased to see the RPMs discussion start early, since the aim behind the implementation of the RPMs was to mitigate potential risks and costs to rights holders that could arise in the expansion of the new gTLD namespace, and to help create efficiencies for registration service providers among gTLD launches.

INTA further appreciates the opportunity to provide these focused comments upon Staff's preliminary process proposals. Simply put, INTA is adamantly opposed to any review of the UDRP as it has proven to be a highly effective tool against cybersquatting. Nonetheless, we recognize that the community may determine that a review of the UDRP is warranted. If that is the case, given the interrelatedness of the matters, we strongly recommend that the UDRP not be reviewed until the new RPMs are fully reviewed in light of the CCT Review.

Section I: The UDRP Need Not and Ought Not Be Reviewed

Section 1.3 (Staff Recommendations) of the Preliminary Report suggests three possible courses: first, "initiate a PDP to review all the RPMs in all gTLDs"; second, a modified version of the first option but with a mandatory timeline; and third, a two-phased review involving "only the RPMs developed for the New gTLD Program" followed by "a review of the UDRP."

INTA would like to propose another option -- conducting a review of *only* the RPMs developed for the New gTLD Program but foregoing any review of the UDRP. The rationale is as follows:

- The UDRP has functioned very well for over 15 years. Originally created as a less expensive and faster alternative to costly litigation, the UDRP has remained focused solely on those issues which are critical to determining whether a contested domain violates the rights of a trademark owner and has eliminated all extraneous questions such as the award of monetary damages and costs to prevailing complainants.

- As a dispute policy, the UDRP has been a great success and has functioned extraordinarily well. Since its inception, over 45,000 decisions have issued in relation to .com domain names alone. Although these decisions are not technically precedential, from them a vibrant and strong set of commonly accepted principles have emerged, many of which have been collected in such well-regarded guides as the WIPO Overview 2.0. This very solid and stable foundation, upon which both complainants and

respondents have come to rely, would be put at risk were the UDRP to be subject to modification in any substantive way.

- Many safeguards benefitting respondents are incorporated into UDRP practice such as procedures affecting the language of each case, the availability of deadline extensions, and the requirement of mutual jurisdiction selection. Further, in many cases panels have issued decisions adverse to trademark owners even in the face of a default by the respondent. INTA is unaware of any compelling reason that the UDRP should be opened for review, which may put these safeguards at risk, and the fairness of the policy along with them.

- The UDRP has worked well under the New gTLD Program with nearly 1,000 domains having been considered by UDRP panels over the nearly two years since such domains went live. This has certainly shown the flexibility and adaptability of the UDRP to a changing domain name landscape.

- Finally, if the UDRP were to be subject to review and subsequent revision, there is a risk that it will be weakened to the point that it no longer serves its intended purpose, and thus more trademark owners are likely to resort to court action. This will result in more cost for all involved and there will be a renewed focus on monetary damage awards against cybersquatters.

In sum, the UDRP has worked "efficiently" for many years and the significant dangers of opening the policy to modification far outweigh the few and relatively minor benefits which might be realized by such a process. Accordingly, INTA urges that review of the UDRP be removed from the Staff Recommendations and from any RPM review process. If ultimately INTA's assertions are not accepted, then INTA would strongly recommend to ICANN that the review of RPMs should be phased, with a review of the RPMs developed for the New gTLD Program accomplished first, in light of the CCT Review.

Section II: CCT Review Must Be Considered in RPM Review

INTA's assessment that the UDRP does not need to be reviewed at this time is aligned with the CCT Review as mandated by ICANN's Affirmation of Commitments with the United States government. Indeed, the CCT is tasked to examine the workings of the RPMs developed for the New gTLD Program – not the UDRP. The CCT metrics to date indicate that the UDRP continues to be used steadily as an RPM. INTA's qualitative assessment, based on reports from its brand owner community members who utilize the UDRP often to recover infringing domain names, indicates that IP owners are generally happy with the UDRP process and the outcomes. The UDRP framework is working as intended – thus, it does not make sense at this time to invest in a detailed analysis of the UDRP or open the door for unnecessary changes.

With respect to the new RPMs, INTA notes that the New gTLD Program is still in the very early stages, with, to date, almost 800 new gTLDs delegated to the DNS and over 500 additional new gTLDs anticipated to be delegated as part of the program.[1] To date, domain name registrations

[1] https://newgtlds.icann.org/en/program-status/statistics

in new gTLDs already delegated total over 10million domain names[2] – a mere fraction of the over 123 million domain names currently registered in the .com TLD alone.[3] The delegation process is expected to continue well into 2017, with marketplace launches of new gTLDs likely to continue beyond then. As a result, the data on RPMs gathered to date should be considered, at best, very preliminary.

Given the limited data available, although it is important to begin assessing the value and utility of RPMs introduced in connection with the New gTLD Program, there should be no rush to draw final conclusions. Because the CCT Review will provide additional data, INTA believes it is important for this data to be considered in the RPM Review. Again, this does not mean that the commencement of any RPM Review should be put on hold pending the CCT Review, but that the results of the CCT Review should be considered and incorporated at the appropriate juncture.

However, in conducting the RPM Review, INTA cautions ICANN not to rely solely on quantitative data (metrics), whether from the CCT Review or other sources. For example, many new gTLD domain name enforcement matters are being handled and resolved by brand owners through demand letters and settlement negotiations that do not progress through a formal proceeding like the UDRP or URS. Publicly available metrics will not, for example, differentiate between domain name registrations in new gTLDs registered and maintained by brand owners for potential use or defensive purposes and infringing domain name registrations that were transferred to a brand owner as a result of informal enforcement measures, i.e. through letters and settlement negotiations. Publicly available metrics will also not provide information on how brand owner enforcement budgets and other resources may have needed to increase as a result of the New gTLD Program and corresponding potential or actual infringement. Brand owners should have an opportunity to share their experiences and insights as a part of the RPM Review in order to place the metrics in a context that can be interpreted correctly. For example, if a particular RPM is not being utilized frequently, the question to ask is why ? Is it because the RPM is not seen as effective or some other reason, such as costs, cumbersome process, etc.?

In conclusion, INTA believes that the CCT Review will provide valuable information that should certainly be considered and incorporated in connection with the RPM Review, and that the additional time and effort needed to do so will result in a more thorough, useful RPM Review process. However, the RPM Review should ultimately consider a variety of perspectives, not the least of which are qualitative reports on brand owners' experiences with the available RPMs (including, where relevant, reports on enforcement actions that did not fit into, or that are not included in, RPM statistics).

Section III: Potential Issues to Include in RPM Review

The "List of potential issues for review in a PDP" that the Preliminary Report includes in § 3.2.2.3[4] provides a start for a PDP Charter. But, as the Preliminary Report itself notes, that list is neither final nor exhaustive.[5] Without limiting its ability to offer or assert additional

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[2] https://ntldstats.com/?utm_source=Com+Laude&utm_campaign=fe478c8ac1-New+gTLD+Newsflash+|+.KYOTO%2C+.CFD%2C+.SPREADBETTING&utm_medium=email&utm_term=0_f511148ac5-fe478c8ac1-115257073

[3] http://research.domaintools.com/statistics/tld-counts/

[4] Preliminary Report at 22-26.

[5] Preliminary Report at footnotes 64, 65, 69, 70, and 71.

recommendations as the process develops, INTA offers these suggestions as to how those potential issues should be clarified and supplemented. At the outset, INTA notes that these suggestions do not include changes or additions to § 3.2.2.3.1 on "potential issues concerning the UDRP."[6] As INTA has already argued in this Comment, the UDRP should not be included in this review – which would make those specific issues moot.

A. Suggested Clarifications

INTA offers these five suggested clarifications (or questions seeking clarification) for the issues presented by the Preliminary Report:

First, in § 3.2.2.3.2 on the URS, the Preliminary Report asks whether the Response Fee applicable to complaints listing 15 or more disputed domain names should be eliminated.[7] INTA is not sure if the Preliminary Report included that topic based on the comment that INTA submitted on the Draft Report of the Rights Protection Mechanisms review (the "Draft Report").[8] If so, that is a misunderstanding. In its Draft Report Comment, INTA did not argue that the Response Fee itself should be eliminated. Quite the opposite: INTA argued that the Response Fee should be extended to all URS cases, such that the 15-domain minimum should be eliminated.[9] In other words: there should be a loser-pays model. Given that § 3.2.2.3.2 asks in a separate question whether there should be a loser-pays model, this may not matter. However, clarifying the relationship between the two questions posed about the loser-pays model and the Response Fee – or simply combining those two questions into one – would streamline the PDP Charter.

Second, in § 3.2.2.3.3 on Trademark Claims, the Preliminary Report asks whether the Abused Domain Label service should be continued.[10] This question is ambiguous as it is not clear whether it is asking whether the Abused Domain Label service should be continued in its current form, or whether it should be continued at all. Those are two different questions, and many stakeholders may have a different answer – yes or no – depending on which question is being asked. For example, in its Draft Report Comment, INTA argued that the Abused Domain Label service needed to be streamlined to make it easier to access and to complete, and that it needed to be extended not just to Trademark Claims, but also to Sunrise.[11] Yet INTA also noted that the idea itself was a good one. Thus, INTA's position would be that the Abused Domain Label service should be continued – though not in its current form.

Third, in the same section, the Preliminary Report asks whether the Trademark Claims period creates a potential "chilling effect" on "genuine" registrations – and, if so, how to address that effect.[12] INTA requests clarification to understand this question. First, what is a "genuine" registration? Is that a term of art? If not, and if we accept its standard dictionary definition as meaning something like "authentic" or "sincere" – how do those adjectives apply to a domain

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6 Preliminary Report at 23.

7 Preliminary Report at 24.

8 See http://forum.icann.org/lists/comments-rpm-review-02feb15/pdfYDAeVW909T.pdf for the INTA comment (the "Draft Report Comment").

9 Draft Report Comment at 12.

10 Preliminary Report at 25.

11 Draft Report Comment at 10.

12 Preliminary Report at 25.

name registration? Assuming that the term means something more akin to "non-infringing," the question is still unclear. Why does the question address only "potential" chilling effects? Is it not relevant whether any of those "potential" effects have ever come to fruition – and if so, how often? Is it also not relevant whether the potential effect was objectively – or even subjectively – reasonable? In the absence of any evidence or metrics showing that there have been any objectively reasonable chilling effects, why is the mere "potential" enough to mandate changes to the RPM?

Fourth, in § 3.2.2.3.5 on the TMCH, the Preliminary Report asks whether further guidance should be considered on the TMCH's verification guidelines for different categories of marks.[13] Again, INTA is not sure what this means. What are "different categories" of marks? Different based on jurisdiction? Different based on the goods or services identified by the mark? Different based on whether the mark is a word mark or a design mark? There may be good reasons for making distinctions in the TMCH's verification requirements. In fact, INTA has argued that the TMCH's proof-of-use verification requirements should vary based on the jurisdiction of the mark in question, and that United States registered trademarks under Section 1(a) or Section 1(b) of the Lanham Act should be exempt from the TMCH's proof-of-use requirement, given that U.S. trademark law mandates such proof of use prior to registration.[14] But if that is the issue that the Preliminary Report was intending to raise by referencing "different categories" of marks, then it should do so explicitly, so that the PDP Charter is clear.

Finally, INTA suggests one broad clarification to the overarching question that the Preliminary Report poses at the beginning of its discussion of RPMs; namely, whether those RPMs have, in the aggregate, been sufficient to meet their objectives, or whether new or additional RPMs, or changes to existing RPMs, need to be developed.[15] As INTA has argued repeatedly, a tool is only effective if it is actually used.[16] Thus, an evaluation of adoption statistics – or the lack thereof – is critical to determine how "sufficient" the RPMs have been in meeting their objectives. This point should be made explicit in the PDP Charter. If the statistics suggest that the RPMs are not being used as much as would have been anticipated given historical trends, then what can be done to encourage more use?

B. Suggested Additions

In addition to those clarifications, INTA offers these three suggested additions to the issues presented by the Preliminary Report:

First, the Preliminary Report should raise as a topic for the PDP working group's consideration whether and how to develop a mechanism by which trademark owners can challenge Sunrise pricing practices that flout the purpose of Sunrise. As INTA has noted, when registries are allowed to contravene the spirit of the Sunrise RPM and limit trademark owner participation simply by charging exorbitant fees, it is consumers who tend to be harmed the most, contrary to ICANN's mandate to promote the public interest.[17] This harm is exacerbated when registries

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13 Preliminary Report at 26.

14 Draft Report Comment at 4.

15 Preliminary Report at 23.

16 *See, e.g.*, Draft Report Comment at 11 (citing statistics demonstrating that since the beginning of 2014 the URS has only been used sparingly when compared to the UDRP).

17 Draft Report Comment at 6.

actually use TMCH data to choose which terms to designate for their inflated Sunrise premium pricing.[18] Accordingly, INTA has already advocated for either a formalized method for capping Sunrise pricing, or a dispute resolution procedure for challenging Sunrise pricing, particularly the designation of premium Sunrise names. INTA would prefer to see those topics explicitly included in the PDP Charter.

Second, the Preliminary Report should raise as a topic whether more can be done to improve transparency and communication about various Sunrise procedures. As INTA has noted, Sunrise launches and policies can be hard for trademark owners to track, especially given the extent to which launch dates and policies are subject to change.[19] Moreover, even if they can be tracked, much of the mechanics of registry Sunrise policies can be opaque to outsiders. INTA has especially complained about the lack of transparency from registries with respect to their reserved names policies.[20] If left unchecked, registries can exploit this information asymmetry to frustrate the purpose of what the Sunrise RPM was meant to achieve. Greater transparency can stop that. This PDP should at least examine how to achieve that transparency.

Finally, the Preliminary Report should raise as an overarching topic the extent to which changes to one RPM will need to be offset by concomitant changes to the others. As noted in the Open Letter from the Implementation Recommendation Team ("IRT") that accompanied the IRT's Final Draft Report, each proposed RPM:

> *is part of a tapestry of solutions which are interrelated and interdependent. The proposals have been designed comprehensively to balance in relation to one another and the removal of any proposal will likely require further strengthening of the others*.

This PDP working group cannot lose sight of that tapestry: as it analyzes potential changes to one RPM, it must consider how those changes will impact the other "interrelated and interdependent" RPMs. To the extent that this reminder is made explicit in the PDP Charter – all the better.

About INTA

INTA is a 136 year-old global not for profit association with more than 6,400 member organizations from over 190 countries. One of INTA's goals is the promotion and protection of trademarks as a primary means for consumers to make informed choices regarding the products and services they purchase. INTA has also been the leading voice of trademark owners within the Internet Community, serving as a founding member of the Intellectual Property Constituency of ICANN. INTA's Internet Committee is a group of over 200 trademark owners and professionals from around the world charged with evaluating treaties, laws, regulations and procedures relating to domain name assignment, use of trademarks on the Internet, and unfair competition on the Internet, whose mission is to advance the balanced protection of trademarks on the Internet.

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18 Draft Report Comment at 5.

19 Draft Report Comment at 6.

20 Draft Report Comment at 6.