

Comments of Time Warner Inc.

Re: Trademark Post-Delegation Dispute Resolution Procedure

<http://www.icann.org/en/public-comment/#ppdrp>

April 1, 2010

Time Warner Inc. (Time Warner) appreciates this opportunity to comment on the revised proposal for a Trademark Post-Delegation Dispute Resolution Procedure (PDDRP), as part of the rollout of new generic Top Level Domains (gTLDs).

Time Warner supports this proposal in principle. Of course the primary responsibility for enforcement of registry contracts must rest with ICANN, and the new gTLD launch should be conditioned on a much clearer showing than has been made to date. ICANN staff should be committed, competent, supported by senior staff, adequately resourced, and, in general, ready, willing and able to take on this crucial task. In the “ICANN model,” dependent as it is on the rigorous enforcement of contractual obligations in order to protect the public interest, such a demonstrated commitment is an indispensable *sine qua non* for the entire new gTLD project.

Assuming that ICANN is committed to enforcement of registry contracts, a backstop procedure like the proposed PDDRP could add value by supplementing ICANN’s contract enforcement procedures. Specifically, it is important that proper mechanisms be in place to prevent or rectify post-delegation business model changes that adversely implicate the intellectual property rights of others. Furthermore, rights holders must be given the opportunity to take action (particularly where ICANN is not ready, willing or able to do so) if registries misrepresent in their applications that they will employ mechanisms intended to protect third party IP rights but then neglect to do so, or permit registrants to neglect, ignore or circumvent those procedures.

In this context, Time Warner offers the following observations on the proposed PDDRP.

- While we appreciate that a registry operator should not be entirely divested of its contractual expectations except on clear and convincing evidence of abuse, the PDDRP as it is now proposed offers a number of lesser remedies short of termination of the registry agreement. It should be possible for these, at least, to be ordered on behalf of a complainant that proves abuse by a preponderance of the evidence.
- The staff’s PDDRP proposal empowers the provider to order up expert witnesses, at the expense of the parties, or require that an in-person hearing be held, even if no party asks for it. These powers could make the cost of the procedure entirely unpredictable, and thus strongly discourage its use. The powers of the provider in this regard must be subject to clear and predictable guidelines, and a maximum cost that can be imposed on an unwilling party for such demands of the provider should be included in the procedure.
- The staff’s proposal states that “since registrants of domain names registered in violation of the agreement restriction are not a party to the action, a recommended remedy cannot

take the form of deleting registrations that were made in violation of the agreements restrictions.” This may reflect a naïve (or at least incomplete) view, and should be re-examined. There have been reported instances in existing gTLDs in which the registry operator, working through an undisclosed affiliate, co-conspirator, or other alter ego as “registrant”, in fact maintained working control of domain names that were registered and in fact used in bad faith, to the detriment of right holders. There is no reason to think that such a scenario could not occur in the new gTLD space. Thus, the ban on cancellation or transfer of registration as a remedy should be revisited and modified to accommodate this scenario.

- Time Warner welcomes the recognition in the staff proposal that the panel’s determination of liability “shall be followed [by ICANN] absent extraordinary circumstances,” but urges that the same standard be applied to the remedies ordered by the panel as well. Since it is likely that the PDDRP will mostly be invoked in cases in which ICANN has, for one reason or another, declined to act to enforce its registry agreement, ICANN’s ability to undermine the outcome, as determined by the panel to be appropriate, should be circumscribed as narrowly as possible.

Time Warner urges that these improvements to the PDDRP be included in the final version of the Draft Applicant Guidebook (DAG). We look forward to further review of this proposal in DAG v.4. If you have questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

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