



Comments of Com Laude on the STI

Com Laude is an ICANN accredited registrar that works solely with intellectual property owners.

We welcome the proposal that the Clearinghouse and the URS should be mandatory. However we have a number of points to raise following discussions with our clients who feature some of the world's leading trade mark owners and the law firms that support them.

The Clearinghouse

Trademarks registered in jurisdictions where there is no substantive review

The current proposals give new gTLDs registries the option to exclude from a Sunrise or IP Claims Process trade marks from countries where there is no substantive review. Despite the fact that there is no definition of "substantive review", we cannot see any justification for this. The effect of this measure if adopted would be to significantly disadvantage many trade mark owners and therefore the consumers that depend upon their trade marks. In Europe alone, this proposal would specifically exclude any trade mark registered at the official Patent & Trade Mark offices in Austria, France, Germany, Italy, Spain and Switzerland. Marks held at the Benelux office and within OHIM, the European Community Trade Mark Office, would also be excluded. This is a non-exhaustive list.

We support the suggestion that we understand MARQUES and ECTA are making that ICANN commissions WIPO to report on this issue and to propose a solution that is equitable to trade mark owners across the world.

Scope of the Clearinghouse

Clearinghouses have been used in a number of previous gTLD and ccTLD registry launches including .eu, .mobi, .asia and .tel. We feel that best practice from these launches should be built upon and that the scope of the Trademark Clearinghouse should be broader than currently suggested. Specifically, we feel the Clearinghouse should be allowed to include a wide range of IPR so that registry operators, should they wish to accept such rights, have the option to include them without going to the cost of funding their own validation programmes.

Therefore we recommend that the Clearinghouse should accept:

Common Law trademark rights: under the .eu Sunrise Phase Two, 164,912 applications were made for 114,246 unique terms (see www.eurid.eu/files/2006_annual_report.pdf) including unregistered trade marks, trade names, business identifiers, personal names and the distinctive titles of protected literary and artistic works *"insofar and to the extent they were protected by the national laws in*

which they were held. We recommend this model to ICANN. Many future registry operators may want to include common law rights and the Clearinghouse should support them.

Figurative marks: Once again, under the .eu Sunrise, figurative marks were allowed provided that the sign exclusively contained a name, or the word element was predominant and could be clearly separated or distinguished from the device element. Subsequently, figurative marks were allowed under the .mobi, .asia, .tel, .me and .nl Sunrises which all adopted a consistent rule:

A Prior Right claimed to a name included in figurative or composite signs (signs including words, devices, pictures, logos, etc.) will only be accepted if:
(i) the sign exclusively contains a name, or
(ii) the word element is predominant, and can be clearly separated or distinguished from the device element, provided that:
all alphanumeric characters (including hyphens, if any) included in the sign are contained in the Domain Name applied for, in the same order as that in which they appear in the sign, and the general impression of the word is apparent, without any reasonable possibility of misreading the characters of which the sign consists or the order in which those characters appear.

In considering this rule, which has been proven to work in practice, it is worth noting that complaints under the UDRP can be filed on the basis of a figurative mark and that many small organisations have but one trade mark and that is often a figurative mark.

Operating the Clearinghouse

We think that ICANN, Registries, Registrars and Trade mark owners (e.g. users) should equally bear the costs of operating the Trademark Clearinghouse, as all of these parties will benefit from it.

We understand the importance of having experts with local knowledge participating in the validation of rights for inclusion in the Clearinghouse. However, we are against the appointment of several agencies to undertake validation of trade mark rights which could lead to inconsistencies and forum shopping. Therefore the local experts must contract with a single validation service provider.

We recommend that there should be a mechanism through which a third party has the right and the ability to challenge the existence and/or contents of an IPR record in the IP Clearinghouse. Sunrise Eligibility Challenge Processes existed under the .eu, .asia, .me and .tel processes and proved valuable in a small number of disputed cases.

The URS

We believe that the proposed remedy of suspending a domain name is insufficient. We would like a successful complainant to be given the option of requesting a transfer of the domain name either on winning the complaint or when the current registration period expires (as is allowed at DENIC under its "Dispute Entry" programme). The current proposal of allowing disputed domains to be returned to the pool of available domains will encourage drop-catching and could put a trade mark owner to significant extra trouble.

We support the idea of an appeal process as a valuable safeguard provided the process is fast and the cost of mounting an appeal is sufficient to deter gaming of the process: for example, the appeal

fee might be \$5,000 with half of the fee going to the costs of administering the appeal and half the fee going to the complainant if the appeal is unsuccessful.

We believe that if the complainant has to demonstrate rights in a term then a respondent to a URS should also be required to prove that it has a legitimate interest in a term that is identical or confusingly similar to the complainant's trade mark.

Finally, we would like ICANN to require providers of URS services to collect and publish a uniform set of data on cases and decisions that is freely searchable. UDRP data is currently spread across providers with WIPO, ADR.EU, NAF etc. maintaining their own statistics.

Conclusion

The recommendations of the STI are based upon the IRT report which was presented as "a tapestry of solutions". We are concerned that by focussing on the Clearinghouse and the URS, valuable as we think they will be, ICANN is diluting the package of measures to protect IPR that the IRT proposed. In particular, we regret that more work has not been done to provide a remedy for the owners of globally well-known trade marks which face infringement after infringement. If the Globally Protected Marks List (GPML) was not the solution, perhaps attention could be given to other solutions such as offering special protections to trade mark owners who have filed more than 10 UDRP or other DRS complaints. We would like WIPO, perhaps working with the IRT, to be charged with developing such a policy.

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26 January 2010

Disclosure: Nick Wood, Managing Director of Com Laude, was a member of the IRT.