

Telstra's Comments on the Special Trademark Issues Review Team Recommendations on Trade Mark Protection in New gTLDs dated 11 Dec 09

Further to our previous submission dated 6 July 2009, Telstra Corporation Limited ('Telstra') welcomes the opportunity to provide additional comments to ICANN on the latest recommendations of the Special Trademark Issues Review Team ('STI').

Telstra is Australia's leading telecommunications and information service company, providing customers with a truly integrated experience across fixed line, mobiles, broadband, information, transaction, search and pay TV.

In its 2009 report entitled '*Best Australian Brands 2009*', leading international brand consultancy firm Interbrand ranked the TELSTRA brand first, with a value of AU\$9,700 million. Telstra supports its house brand with both Australian and overseas trade mark and domain name registrations. In addition, Telstra owns significant product and service brands and supporting trade marks including *Next G*, *Next IP*, *BigPond*, *Yellow Pages* and *White Pages*.

Summary:

If new gTLDs are introduced, Telstra generally supports the introduction of both the Trademark Clearinghouse ('TC') and the Uniform Rapid Suspension Procedure ('URS'). However, we believe that implementation of the TC and URS as currently detailed in the recommendations dated 11 December 2009, would be unduly burdensome and costly to trade mark owners. In particular, the costs of the proposed mechanisms are likely in some instances to outweigh the benefits. For this reason, we have made a number of recommendations intended to better balance the interests of trade mark owners and those of other participants in the system.

Comments on Specific Rights Protection Mechanisms:

Trademark Clearinghouse

The STI previously recommended that ICANN create a 'clearinghouse' to operate as a neutral centralised database of IP rights against which gTLD applications can be validated. A clearinghouse was intended to reduce costs and increase administrative efficiency associated with trade mark protection to benefit trade mark owners, registries and registrars.

As set out in our previous submission, Telstra broadly supports this recommendation. However, in response to the STI's latest recommendations, we have the following comments:

- **Cost:** Telstra supports the minority submission of the Business Constituency, which proposes that the costs of developing and operating the TC should be borne by ICANN and its registries and registrars. The TC will reduce administration costs for registries and registrars. However, if the TC is to be effective, the cost of registration must be less than the cost of independently monitoring new gTLDs (particularly for trade mark owners based in countries with relatively weak currencies).
- **Match:** Telstra strongly supports the submission of the Business Constituency proposing that the criteria for a 'match' to an existing trade mark be broadened to include the mark plus a generic word. Telstra has dealt with many cybersquatting matters where the word Telstra has been added to a generic word (for example, <telstramobiles.com> or <telstraprepaid.com.au>). Without this additional protection, the efficiency of the TC will be greatly diluted. In the alternative, we would also support the At-Large Advisory Committee's recommendation to allow names which consist of a trade mark and a generic word to be registered in the TC.
- **Applicability:** The "TM Claims" service (which is intended to notify applicants of a pre-existing trade mark which their name may infringe) is currently intended to operate only in the pre-launch period of a gTLD. Telstra supports the view of the Business Constituency and the At Large Advisory Committee, that this should be mandatory throughout the life of new gTLD registries. Again our experience in dealing with cybersquatters suggests that registrants are often unaware that registering a third party's trade mark as a domain name is an infringement of trade mark owner's rights. The TM Claims service, as currently proposed, serves a mostly educational function. We do not believe potential registrants would be disadvantaged by its continuation throughout the life of the gTLD. In this regard, we also support the wording of the proposed notice in Annex 5 as being appropriately fair and balanced.
- **Use of data:** Telstra is concerned that Recommendation 6.1 (which provides for provision of ancillary services by the TC provider or third parties) could lead to a loss of confidentiality in data provided to the TC. While data relating to trade mark registrations is theoretically publicly available (if each registry in each country was searched) in practice it would be extremely difficult to compile such a list. Any data submitted to the TC should be held only by the TC and used for the sole purpose of assisting with the implementation of gTLDs.

Uniform Rapid Suspension system

The URS is designed to be a fast, efficient and fair mechanism for trade mark owners to take action against clear trade mark infringement or abuse, without the expense of using the UDRP or judicial remedies. The registrant's interests are preserved by the right to a hearing and/or appeal, and the fact that the trade mark owner is not permitted to gain possession of the domain name via the process. Furthermore, if there is evidence of a trade mark owner repeatedly misusing the URS, they would be denied access to the system for a set period.

As indicated in our previous submission, Telstra generally supports this initiative. However, in response to the STI's latest recommendations, we have the following comments:

- **Cost:** As detailed by the Business Constituency submission, on current estimates the cost of the URS procedure will not be significantly below the cost of a UDRP. Of particular concern, it seems the standard of proof would effectively be higher under the STI recommendations. Given that a successful URS will not result in the transfer of the domain name, the costs of this system need to be reduced, to ensure that it is as efficient a mechanism as possible for enforcement of trade mark rights.
- **Standard of proof:** While Telstra does not object in principle to a standard of "clear and convincing evidence that there is no genuine issue of material fact requiring further consideration," (Recommendation 2.4) it is not clear how this standard can be met within a form of complaint that is "as simple and formulaic as possible." (Recommendation 2.2). There is clearly a tension between requiring a relatively high standard of proof, and streamlining the process by reducing the evidence needed to be provided by trade mark owners. We suggest that this issue requires further consideration and that additional guidance be provided regarding how it is intended that trade mark owners might satisfy the standard.
- **Transfer of names after successful URS:** Telstra supports the recommendations of the Business Constituency and the At-Large Advisory Committee that further investigations be done into whether it is feasible to allow transfer of domain names after a successful URS. We believe the process as drafted provides sufficient safeguards for registrants with a legitimate right or interest in the domain name – for example, evaluation on the merits, the chance to file an answer after default and the possibility of filing an appeal. From the perspective of customers who are searching for the website of a major brand, finding a page with information about the URS is not particularly helpful and may in fact be detrimental to that brand. The URS is intended to operate only in clear cases of cybersquatting, so if this is found to be the case, there should be no reason not to transfer the domain name to the complainant.

Please do not hesitate to contact us if you require further information regarding our comments.

Respectfully submitted,

TELSTRA CORPORATION LIMITED