



Litigation and Intellectual Property

BBC and BBC Worldwide Comments on the Special Trademark Issues (STI) Recommendations

27 January 2010

Introduction

The British Broadcasting Corporation (BBC) is the United Kingdom's Public Service television and radio broadcaster established by Royal Charter and publicly funded by a licence fee. BBC Worldwide Limited is a wholly owned company within the BBC group, responsible for the commercial exploitation of the BBC's output in order to generate revenue for the BBC.

Overall, the BBC reaches 93% of the UK public each week with information, education and entertainment provided via TV, radio and online platforms. It is also a global broadcaster, as Europe's largest exporter of TV programmes and the provider of trusted, independent and impartial international news to a weekly audience of around 250 million households, with over 17 million unique users online.¹ The BBC has been at the forefront of the digital revolution. Ever since its launch in the 1990s as a text- and news-led service, bbc.co.uk has been confirmed as an important reason given by people in the UK for connecting to the internet in the first place.² The BBC has also pioneered online audio and video services: BBC iPlayer, allowing audiences to catch up with the last seven days of BBC TV and radio, launched on Christmas Day 2007 and total views by UK audiences have now passed 500 million.³ Innovation continues. The latest independent forecasts suggest that the BBC-proposed consortium, Project Canvas, will have internet-connected TV devices offering iPlayer and other on-demand services to 3.4m UK homes by 2014.⁴

The BBC and BBC Worldwide have previously endorsed submissions made by MarkMonitor on the draft Applicant Handbook in addition to making our own submissions on subsequent drafts and on the IRT Report.

General comments

The BBC and BBC Worldwide appreciate the opportunity to submit these comments in connection with the STI recommendations. Whilst we would like to thank the members of the STI Review Team for the time and effort that they have clearly put into this proposal, we remain concerned at the manner in which this process is being conducted. As was the case with the IRT, the STI Review Team appears to have been given a very short timeframe within which to attempt to resolve this extremely important issue. The extremely short public consultation period also gives insufficient opportunity to consider the proposal with an appropriate level of detail and scrutiny. Consequently this response should be considered in the context of previous BBC communications to ICANN and ongoing dialogue with ICANN representatives. Given the importance of special trademark issues, we have no doubt that ICANN will accept the need to continue to explore – and publicly consult on them. While the BBC will continue to make every effort to respond to all relevant ICANN consultations on an

¹ BBC Annual Report 2008/09

² For example, One survey revealed that 9% of internet users agree that "the existence of the BBC's website www.bbc.co.uk was one of the main reasons why I first accessed the Internet" (TNS, December 2007)

³ BBC Server Data, 2009

⁴ Enders Analysis, 2009; Project Canvas is subject to an ongoing regulatory approvals process (a "non-service approval") by the BBC Trust.

ongoing basis, we would urge ICANN to ensure that consultations in future adopt the best practices widely deployed by internationally respected public and quasi-public bodies (for a UK example, see for example HM Government's guidelines on consultations).

As we have previously stated, we remain unconvinced about the extent of demand for new gTLDs and feel the case for their introduction remains unclear and lacking in evidence.

In particular, we believe ICANN must provide additional data and explanation as to how the gTLD proposals will create economic value for all on the internet by expanding the domain name aggregate resource. It does not seem clear at all that the proposals will necessarily create new value and indeed they may contribute to the inefficiency of the system. Prima facie, it seems that the value of internet domain names and brands resides in their visibility and reputation. There is no obvious way to legitimately tap into the value of a domain name unless it is already visible and reputable. If it is, there appears to be a substantial incentive for its owner to protect it, and little incentive to create a different one, even if new opportunities became available. (NB The concept of incumbency is not transferable to this instance, as owners of reputable and well-known internet brands are only incumbent on their own brand, not on market segments that could be "liberalised" in any way.) It could be assumed that as a rule, very few new categories of operators can benefit from a gTLD extension in terms of visibility and reputation. Exceptions to this rule may concern non industrial entities, such as geographical, cultural or urban communities. It is therefore very hard to see how the increase in domain names will per se increase competition unless it is accompanied by effective anti-hoarding and abuse remedies. These may be beyond ICANN's competence and power.

In summary, we remain deeply concerned at the threat to brand integrity and attendant financial implications for brand owners, and the significant risk of consumer detriment. We outline some specific concerns below but will of course continue to respond to any further data and arguments ICANN provides. The BBC will continue to engage in the wider issues around ICANN's gTLD implementation and seek to provide constructive input into the possible opportunities and threats they create. However, we cannot imagine that ICANN would wish to take further steps towards its implementation of an expansion in gTLDs until the crucial brand holder protection issues are resolved.

Detailed comments on the STI Recommendations

In our view, the STI proposals do not adequately address brand owner concerns. The IRT proposals were themselves imperfect but the combination of the IP Clearinghouse, Globally Protected Marks List (GPML) and URS, as proposed by the IRT, did give a measure of protection to brand owners, albeit that some of the detail still needed to be resolved. These proposals have now been so diluted as to render them largely ineffective as a means of rights protection. We would like to see further time committed to considering how to implement a form of GPML, or some other mechanism that would prohibit the registration of domain names that infringe certain trade marks and comment further on the current Trademark Clearinghouse and URS proposals below.

Trademark Clearinghouse

The IRT Report originally proposed establishing an IP Clearinghouse (now referred to as the Trademark Clearinghouse) "in order to reduce the cost and administrative burden of protecting trademarks in the new gTLDs for all trademark owners – with a very few "trademark supernovas" which suffer extraordinarily high levels of infringement finding relief through the Globally Protected Marks List."

The IP Clearinghouse was designed "to function as a central entity with which all new gTLD registries and possibly registrars interact in relation to the Globally Protected Marks List and the Pre-Launch IP Claims Service also recommended by the IRT".

In our view, the proposed Trademark Clearinghouse, as currently framed, is “not a rights protection mechanism”, as is acknowledged by the STI. The proposed Trademark Clearinghouse is merely a database of limited registered trade marks to be used evidentially by the brand owner only during sunrise periods, when they will likely be obliged to file hundreds or thousands of defensive registrations. This fails to offer adequate protection to brand owners, as expanded on below.

4.1/4.2 Text plus Design Marks and Common Law Rights

In our view, both “text plus design” marks and common law rights should be included within the Trademark Clearinghouse. Recent sunrise periods for new launches have taken into account names with common law rights, and in many cases where there is a design element to a mark, there will be common law rights attaching to the text element as well. Further, the fact that a registered mark may have been secured which includes both a text and a design element does not negate the legitimate interest of the brand owner in registering the word element within a domain name, either for use or for prevention of cybersquatting. To exclude these from the Trademark Clearinghouse would require registries for new gTLDs to establish a separate process for validation of these names, placing a significant burden on both the rightsholder and the registry.

4.3 Conversion of Mark into the Trademark Clearinghouse Database

The proposed requirement that the Trademark Clearinghouse be limited to “identical match” names provides brand owners with insufficient protections to deter cybersquatters. Most cybersquatting is not an identical match but a near match or a “mark plus” additional matter. This is narrower than the matching allowed by .EU, .TEL and .ASIA and is inadequate.

5.1/7.1 TM Claims or Sunrise Use / Post-Launch Use

In our view, the use of the Trademark Clearinghouse database should not be limited only to sunrise periods for new gTLDs. In order to have any operation as a rights protection mechanism, the use of the Trademark Clearinghouse by new gTLD registries should also be obligatory post-launch in order to notify brand owners of attempts to register their trademarks post-launch. Without this provision, the Trademark Clearinghouse does not meet its original objective of reducing the need for defensive registrations and deterring cybersquatting.

5.2 (i) Substantive Review and 5.2(ii) Registry Discretion

We support the position of the IPC Minority Statement. Exclusion of trademarks from a country where there is no substantive review would exclude registrations from a large number of countries, including those from much of Europe. The proper manner in which to address the very real concerns that some trademark registries may be used for the purposes of gaming is through having proper notice, disclosure and challenge procedures.

Whilst the example referred to in 5.2 (ii) is reasonable, the general unqualified statement in the first sentence that “registries shall have discretion to decide whether to grant protections to trade marks in the TC” is misleading and must be removed.

10. Costs of Operating the Trademark Clearinghouse

We support the position of the Business Constituency set out in its Minority Report. The costs of developing and operating the Trademark Clearinghouse must be borne by ICANN and its registries and registrars, who benefit by far the most from the proposals. Those who will see the financial benefit of the gTLD rollout should bear the financial burden for ensuring that they do not facilitate the widespread infringement of trademark owner rights. The costs must not be borne by trademark owners and other registrants, except for a minimal registration fee to submit their public records to the database.

Uniform Rapid Suspension Procedure (URS)

In the IRT Report the original purpose of the URS was to (i) reduce the need for defensive registrations, (ii) provide a cost-effective and timely mechanism for brand owners to protect their trademarks, and (iii) promote consumer protection on the Internet. In our view, the

current STI proposal is inadequate to do this and should be revised in order to meet its original objectives, as set out below.

4.3 / 5.3 Effect of Filing an Answer after Default

It is proposed that domain name registrants should be allowed a de novo review at any time (during the life of the registration) where they have failed to file a timely Answer. Under this proposal, in the event of a five year registration, if a URS case is filed in the first year then the case would effectively stay live for four years. This is unacceptable. In our view, there should instead be a limited grace period for a de novo review of a default judgment of no more than three months or upon expiration of the registration period, whichever occurs first.

If the current proposal to allow a de novo review at any time remains, then the effect of commencing that review, perhaps occurring years after the default judgment, should not be for the domain name to resolve back to the original IP address. This should only be the case where the Answer is filed within a limited grace period.

7. Remedies

The terms of the URS currently propose that at the end of the proceedings, where the complainant prevails, the domain name will be suspended for the balance of the registration period (with the addition of an extra year on payment of a fee). This would require that the brand owner continue to monitor the name to ensure that another cybersquatter does not register the name upon the expiration of the registration. This proposal places a significant burden and inconvenience on the brand owner, as well as requiring additional costs by potentially requiring that the brand owner files further URS actions on the same domain name. In the event of a successful URS action, the domain name should be transferred back to the complainant, or at the very least the complainant should be given first-refusal when the domain registration comes to an end.

We agree with the comments of the Business Community regarding the likely costs of the URS. This is not a significantly cheaper procedure, as currently framed, and therefore is unlikely to be an attractive option unless the result of a successful outcome is the transfer of the domain name to the complainant.

In conclusion, we have a number of concerns about the proposals contained in the Special Trademark Interests Recommendation and the inadequate process being adopted for consultation with relevant stakeholders. We urge ICANN to give serious consideration to the points we have raised above, and ensure that the proposals are revised to provide brand owners with suitable safeguards and protection mechanisms. It is critical that ICANN's proposals are reconsidered and consulted on further to offer reassurance to brand owners that ICANN is committed to achieving a workable process that meets the needs of industry.

We look forward to ongoing engagement with ICANN and would be happy to discuss any of the issues raised in this response with you further.

Yours sincerely,



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