

Business Constituency (BC)
Position/Comments on
ICANN Staff Recommendations for
Rights Protection Mechanisms with respect to New gTLDs

The Rights Protection Mechanisms (RPMs) proposed were offered by the Implementation Recommendation Team (IRT) as a package (“tapestry”) for an important reason. Each remedy solves a different problem at a different part of the process. By making some RPMs optional and weakening others, that package is diluted from a minimum baseline of necessary solutions to a series of proposals that do not scale nor adequately address the rights to be protected and concerns of BC members. Please note that the BC’s sequence of commenting on each RPM should not be read to mean they are discussed in any priority of importance and the BC considers each RPM to be vital in addressing a specific set of problems.

Uniform Rapid Suspension [of domain names] (URS):

1. Process as detailed by Staff must be mandatory in all newTLD registries
 - a. Substantive standard of UDRP must be exactly replicated in URS

Making URS a best practice is analogous to making seat belts optional
2. The link of the URS for pre-registration in the IP Clearing house as recommended by the IRT should be maintained.
3. The IRT had suggested a fee be imposed on registrant to file an answer if more than 26 domains are at issue. This should be maintained.
4. It would be advisable to mandate issuance of notices in all three modes (email, fax, post) in order to avoid Respondents claiming, subsequent to default, in their Answer that they had no notice of the proceedings.
5. Where in case of default by the Respondent to submit an Answer, the Examiner renders decision is in favour of the Complainant and the site is taken down, if any right of restoration or right to subsequently (after default) enter the process is to be given to the Respondent, they should not have the opportunity to base their Defense (solely or mainly) on the argument that:
 - a. they did not receive the notice in any of the three modes (as mentioned above);
or
 - b. they did not receive the notice since they had not updated their WHOIS/registration information; or
 - c. they did not receive the notice since the WHOIS/registration information was inaccurate.

Items b and c and any failure thereto should be the Respondents' responsibility (otherwise bad actors may use this excuse to game the system)

Moreover, if the Respondent appears after default and taking down of the site, the site should only go back up after a decision is rendered in favour of the Respondent (in order to avoid gaming by bad actors)

6. Successful complainant must have option to transfer the name or cancel, if no appeal filed within 90 days from date of URS decision.
 - a. Successful complainant must also have option to have domain suspended until end of its current registration term, and then indefinitely flagged
 - b. Flag shall be recorded in clearinghouse so that if anyone seeks to register such name(s) again, they would get a notice.
7. Complainant abuse shall be defined same as Reverse Domain Name Hijacking under UDRP.
8. Meaningful appeal process required, Staff hasn't made any proposal on that yet, so we cannot comment.

Trade Mark Clearinghouse:

1. Sunrise processes must be standardized and mandatory.
2. The definition of identical match should:
 - a. At least be the same as IRT;
 - b. should also take into account singular and plural of the Mark; and
 - c. take into account typographical variations (for typosquatting)
3. TM notices (misnamed "IP claims") must be mandatory:
 - a. All applications for newTLD domain registrations will be checked against the TMC, regardless whether application is during sunrise period or thereafter (i.e. IP Claims should be available post launch)
 - b. If applied-for domain string anywhere contains text of trademark listed in TMC, then TM notice given to applicant per proposal listed in Staff recommendation, if domain is registered then TM owner is notified
 - c. TM owners will have option also to trigger notices in the event that applied-for domain string includes the trademark string altered by typographical errors, as determined by an algorithmic tool. For example, yaho0.new would trigger a notice if Yahoo! elected to exercise this option.
 - d. Domain applicant must affirmatively respond to the TM notice, either on screen or email, and registrar must maintain written records of such responses for every domain name. TM owner must get notice of every registration that occurs.
 - e. The TM Notice should allow registrant to have the option of stipulating their intended purpose.

Globally Protected Marks List (GPML):

The BC sees the rejection of the GPML as a major setback as it leaves open the issue of defensive registrations without any solution being made available to address or remedy this problem related to the launch of new gTLDs.

Absence of this from the Proposed RPMS means that TM holders and Businesses will HAVE TO undertake Defensive Registrations. Effectively PAY for unwanted domains in EVERY new gTLD.

With this in mind, the intended pro-competitive impact of new gTLDs, which we argue must still be confirmed by sound economic research that includes a valid assessment of demand, would be undermined due to such defensive registrations. This therefore, simply imposes an additional cost on business and individual users of the domain name system.

Post Delegation Dispute Resolution Procedure:

The limitations in scope and effectiveness of this RPM when compared to the IRT Report recommendation raise much concern for the BC.

The Staff Proposal is radically different in substance and effectiveness from the IRT Report.

<p><i>From IRT Recommendation:</i></p> <p>Standard for Asserting a Claim – 3 types: (a) The Registry Operator’s manner of operation or use of a TLD is <u>inconsistent with the representations made in the TLD application as approved by ICANN and incorporated into the applicable Registry Agreement</u> and such operation or use of the TLD is likely to cause confusion with the complainant’s mark; or (b) The Registry Operator is in <u>breach of the specific rights protection mechanisms enumerated in such Registry Operator’s Agreement</u> and such breach is likely to cause confusion with complainant’s mark; or (c) The Registry Operator manner of operation or use of the TLD exhibits a bad faith intent to profit from the systemic registration of domain name registrations therein, which are identical or confusingly similar to the complainant’s mark, meeting any of the following conditions: (i)</p>	<p><i>From Staff Proposal up for Comments:</i></p> <p>For a Registry Operator to be liable for toplevel infringement, a complainant must assert and <u>prove by clear and convincing evidence</u> that the Registry Operator’s <u>affirmative conduct</u> in its operation or use of its gTLD, that is identical or confusingly similar to the complainant’s mark, causes or materially contributes to the gTLD: (a) taking unfair advantage of the distinctive character or the reputation of the complainant’s mark, or (b) unjustifiably impairing the distinctive character or the reputation of the complainant’s mark, or (c) creating an impermissible likelihood of confusion with the complainant’s mark. For a Registry Operator to be liable for the conduct at the second level, the complainant must assert and prove by <u>clear and convincing evidence:</u> (a) that there is substantial ongoing pattern or practice of <u>specific bad faith intent</u> by the registry operator to profit from the sale of trademark infringing domain names; <u>and</u></p>
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<p>taking unfair advantage of the distinctive character or the reputation of the complainant's mark, or (ii) unjustifiably impairing the distinctive character or the reputation of the complainant's mark, or (iii) creating an impermissible likelihood of confusion with Complainant's mark.</p>	<p>(b) of the registry operator's bad faith intent to profit from the systematic registration of domain names within the gTLD, that are identical or confusingly similar to the complainant's mark, which: (i) takes unfair advantage of the distinctive character or the reputation of the complainant's mark, or (ii) unjustifiably impairs the distinctive character or the reputation of the complainant's mark, or (iii) creates an impermissible likelihood of confusion with the complainant's mark. In this regard, it would not be nearly enough to show that the registry operator was on notice of possible of trademark infringement through registrations in the gTLD.</p>
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The Staff Proposal would put the interests of TM holders (and possibly Communities if this applies to Communities also) at risk since once the delegation is made they would not have any recourse or rights to institute Post Delegation Disputes under this policy based on:

- breach of representations in the gTLD application
- breach of Registry Agreements
- systemic breach of TMs in the gTLD as a result of wilful lacunas in Registry Operations leading to infringements

Registry operations for adding new names are often a highly-automated function. However, a Registry Operator who fails to perform the specific rights protection mechanisms enumerated in its Registry Operator's Agreement should be subject to PDDRP claims, as set forth in the IRT Final Report.

Most importantly creating space in the Staff Proposal so that the Registry is not subject to PDDRP where there is systemic TM infringement based upon breaches mentioned above, dilutes the practical efficacy of the RPM and raises concern with the BC.