The IRT was formed by the ICANN Board in light of the numerous comments on the Draft Applicant Guidebook (DAG) focusing on consumer and IP protection. The IRT’s formation highlights the significant need for trademark protection in the Internet DNS and for the establishment of additional rights protection mechanisms in the introduction of new gTLDs that, unlike the UDRP, address the evaluation of new gTLD applications, and that scale to the anticipated volumes of abusive registrations in new gTLDs.

Particularly in light of the extremely short time frames in which the IRT was directed to operate, the Internet Committee of the International Trademark Association (INTA) commends the IRT members who have clearly invested a tremendous amount of hard work and thought in a short period of time in this draft report, including the well-devised set of broad remedies. The Committee has the following comments on the draft report, and INTA will submit comments to ICANN on the final IRT report that is scheduled to be published by May 24, 2009.

While the Committee is pleased to provide this input to the IRT on its recommendations, the Committee reiterates its objections to the methodology developed by ICANN to introduce new gTLDs, as set forth in the DAG as modified.

With these over-arching concerns in mind, the Committee offers the following questions and suggestions, to make the recommendations of the IRT report stronger, more effective, less costly and less subject to "gaming."

While it is not clear what significance was intended in the ordering of the proposals in the IRT report, we would like, particularly to emphasize the importance of three of the proposals, and will address these first: and then will turn to the other recommendations in the report:

- **The Uniform Rapid Suspension System (“URS”)** – This proposal, although there are still critical details to be worked out, may be the solution available to the largest numbers of trademark owners to provide quick relief for the prevention of abusive registrations and consumer confusion.
- **The “Thick” Whois Requirement** – Simplifying access to domain ownership information is critical to promoting transparency and confidence in the Internet marketplace. That the thick registry model is an existing, proven technology only makes it more important to implement in the new gTLD space.
- **The IP Clearinghouse** – This repository for information on intellectual property rights provides a critical platform for increasing the scalability of all other rights protection mechanisms.

**DRAFT UNIFORM RAPID SUSPENSION SYSTEM (URS)**

An important remedy for trademark owners is the proposed URS. However, the current proposal seems overly complicated, and when all the days involved in the process are added together, it is clear that additional streamlining is necessary to provide a “rapid” suspension.

In particular, the following features are welcome:
A) the incorporation of a low cost pre-registration system (so the brandowner’s trademark is "on file" for future disputes – but see note 5 below);

B) the ability initiate the URS by filling out a simple form;

C) that Complainant can apply a URS proceeding to multiple registrants if they are related as shell companies, etc.;

D) the fact that fees can be lower for batches of domain names owned by the entity;

E) the fact that names are locked as soon as the URS is initiated;

F) the provision of notice to the registry operator within 24 hours of filing the complaint with the third party provider; and

G) the fact that the third party provider works on a cost-recovery basis.

However, the following issues should be addressed:

1. **Scope of the remedy should be reconsidered.** – Currently, beyond the domain being locked upon filing, the only remedy is that the domain ceases to resolve by being placed on ServerHold for the duration of the registration and prohibits the registrant from renewing the domain. While totally depriving the registrant of the domain’s use, this outcome is a recipe for making trademark owners engage in serial enforcement actions over the same domain as it expires and is released. Instead, the Complainant should have the option of obtaining the transfer of the domain, or having it placed on indefinite ServerHold with no expiration.

2. **The URS must indeed be “rapid.”** – Allowing 14 days from the initial notice for the registrant to answer, and then additional time for the dispute provider to rule if there is no default (on top of the initial examination for compliance, time for the registry to lock the domain, and time for the registry to deactivate the domain after default or decision), is hardly a “rapid” process, particularly if the only consequence remains the deactivation of the domain. We agree that the registrar and registrant should not be notified until after the domain has been locked, and therefore suggest the response period be shortened to one week, unless the URS provides for the transfer of the domain as a remedy. In support of the expedited process, we also suggest making the URS an all-electronic process, by eliminating the certified letter sent five days after filing the complaint, in favor of speeding up the transmission of the second email notice to the registrant.\(^1\) Although the means of notice are somewhat reduced, as with the redemption period that occurs after a domain registration expires (during which a registrant who has an ongoing interest in the domain is generally alerted that something is amiss by the domain ceasing to function), the fact that a registrant who defaults can still file an answer to the dispute provider at any time during the life of the domain name registration mitigates concerns about notice. However, a registrant answering after a default should face a higher burden in seeking to set aside the default, such as showing “extraordinary circumstances” to do so. In addition, if the URS is modified to allow the Complainant to opt for transfer of the domain registration, then the default should first result in the deactivation of the domain (in case the registrant notices the deactivation and decides to file a default answer), with transfer proceeding perhaps 15-30 days later. In such a circumstance, in order to

\(^1\) Admittedly, if the e-mail address in the Whois database is false, the registrant will no more receive the second e-mail than the first. But the second e-mail will perhaps overcome the first e-mail having been deleted as spam, either automatically, or inadvertently.
achieve finality, the registrant should only be allowed to file a default answer until such time as the transfer to the Complainant takes place.

3. Fees. – The draft report’s reference to fees, see footnote 3, page 15, should be clarified. As we understand it, the IRT recommends that the fee be in the $100-200 range per proceeding (not per domain), with some variation based on whether the IP rights are pre-registered or not. We also understand the report recommends that the fee should go up in ‘buckets’ of 100 domains. So the base $100-200 fee would apply for 1-100 domains, the next level for 101-200, etc. This seems reasonable for an expedited proceeding with limited review (and the registrant’s ability to file an answer after default has occurred), but should be clarified.

4. The URS should do more to prevent abuse and “gaming” of the system by registrants. – Under the present draft, the complainant agrees to indemnify all parties based on the representations in the complaint. Similarly, the abusive complaints section only addresses abuses by trademark owners, not abuses by cybersquatters who are repeatedly subject to the URS process. There should be some corresponding penalties to the infringer for engaging in this conduct in the first place. Further, by allowing the registrant to supply "evidence" that they have some legitimate right in the domain name, by merely requiring the payment of a small fee to file an answer (and then only in cases of 10, 25, or more domains), and by allowing the registrant to answer at any time during the registration, the IRT is inviting registrants to game the system by filing deficient or fabricated answers, merely to delay the deactivation or transfer of the name. While INTA has taken no formal position on the payment of costs in trademark disputes, and although some “loser pays” systems may be hard to implement due to the difficulty in collecting a judgment, particularly across international borders, we suggest the following modifications:

   a. The complainant (as in the present draft) pays the appropriate fee on filing the complaint and agrees to indemnify all parties based on the representations in the complaint.

   b. The registrant, if it chooses to answer, pays an answer fee (in all cases) equivalent to the filing fee.

   c. Where filing or answer fees have been collected from both parties (i.e. except in cases of default), the fee of the winning party is refunded.

To be clear, in order to prevent gaming the system, the post-default answer should only be available in conjunction with the loser meeting a higher standard, such as establishing facts proving “extraordinary circumstances” for its failure to respond to the notices and agreeing to bear the entire filing fee for the proceeding.

As an alternative, the URS could be revised to require the provision of a notice by the complainant, followed by shifting the burden to the registrant to initiate a proceeding to stave off the domain’s suspension. Such a process could also be based on the “loser pays” model, requiring either the complainant or the registrant to bear the ultimate cost of the proceeding.

5. Incorporating the IP Clearinghouse. – It is not clear if the discussion of the pre-registration system intentionally omitted a reference to the IP Clearinghouse. To be clear, validating a right in the IP Clearinghouse should operate as pre-registration for the purposes of the URS.
6. **Qualifications of the examiner.** – Noting that the evaluation of these cases shall be made by a “qualified legal expert with experience as a Panelist in UDRP proceedings”, but that the third party provider shall not be an entity that currently provides UDRP services, we are concerned that there is insufficient time to set up such a new system. Also, we appreciate that there are a number of Arbitration Service Providers in the world that are capable but not currently involved in the UDRP, but note that they normally have no prior UDRP-panellists to work with.

7. **Examination factors (trademark examination).** – The IRT should clarify the requirement that the complainant’s registered trademark must have been issued by a jurisdiction that conducts substantive examination of trademark applications prior to registration. We presume that this means that the trademark office examines the application on at least absolute grounds (of descriptiveness, functionality, etc.), but does not require relative examination. If the complainant’s trademark must have been examined on both absolute and relative grounds, this would mean that (for example) a Swedish mark (with full examination) can form the basis for a URS, but a European Community Trade Mark (with an opposition system but no examination on relative grounds) cannot.

8. **Examination factors (standard of proof).** – While it is appropriate that the standard requires bad faith in the registration or the use of the domain, we are opposed to a clear and convincing evidence standard and recommend that a neutral should be able to find that the standard has been met by a preponderance of the evidence. First of all, the clear and convincing standard may not have clear meaning in many non-U.S. legal systems. Second, as one trademark lawyer who has served as a panelist on literally hundreds of UDRP matters in the last decade commented, we are very concerned that respondents will be able to game the system and come up with some statement that will defeat a finding of entitlement if the standard is clear and convincing evidence. This is particularly true since, as with the UDRP, the “lack of legitimate interest” factor requires proving a negative proposition in a way that can rarely be done in more than a presumptive manner.

**REQUIRING A “THICK” WHOIS MODEL IN NEW GTLDS**

We strongly support the proposal to require all new TLD registries to implement a “thick” Whois model. Simplifying access to accurate and reliable contact details for the true owner of the domain name registration is necessary to prevent abuses of intellectual property and protecting the public by preventing consumer confusion and consumer fraud in the Internet marketplace. INTA supports open access to accurate ownership information for every domain name in every top-level domain registry, for addressing legal and other issues related to the registration and use of the domain name. (See: INTA Board Resolution. Continued Open Access to the Whois Database. [http://www.inta.org](http://www.inta.org))

Even though it is not a novel idea, this should not in any way diminish its importance. The fact that the thick registry model is an existing, proven technology that registrars and registries already implement in the .biz, .info, and .org registries suggests that there is no reason not to implement it in the gTLD space. Assuming large growth in both the number and geographic diversity of registrars, registries and registrants, accurate and thick Whois is a critical requirement if the gTLD space is expanded. Certainly, the public interest in access to domain ownership information should outweigh any interest by registrars in maintaining proprietary control over the data.
THE IP CLEARINGHOUSE

The IP Clearinghouse performs a purely administrative function of collecting information on asserted intellectual property rights. Nevertheless, as mentioned above, the IP Clearinghouse is a critical platform for reducing the cost and time involved: a) for ICANN’s contracting parties to implement rights protection mechanisms; and b) for intellectual property owners to obtain meaningful redress under other existing or proposed mechanisms.

Beyond this general support, we note that the IRT appears to have accurately summarized the functions, benefits, and principles for the operation of the IP Clearinghouse. With respect to the summary of data types that could be maintained in the IP Clearinghouse, while Appendix One maps data types related to a single right (such as a trademark registration in a particular country), the clearinghouse would be more easily navigable and meaningful if the data structure supported a one-to-many relationship among the data, such as listing a particular trademark, its IDN variations, and its owner, and then incorporating information on any number of national registrations for that mark. We encourage the IRT to provide more information on what kind of entity would be qualified to provide such services and have the necessary expertise. Would the Clearinghouse be run by a for-profit corporation? If so, the IRT’s recommendation should ensure that the Clearinghouse will be operated on a cost-recovery basis to keep costs low for trademark owners.

THE GLOBALLY PROTECTED MARKS LIST (“GPML”)

The Internet and, in particular, the domain name system, present unique challenges – both from the top level and the second level. Creating a list of protected marks that have global legal recognition and will be acceptable for blocking purposes by both trademark owners and Internet users is a challenge, one on which we believe the IRT has made a good start. However, the IRT may also wish to consider other avenues to address the same concerns.

General Concerns with a GPML

As background, it is important to distinguish the criteria and purpose for a “globally-protected” marks list from a list purporting to list “famous” or “well known” marks. Whether a mark is famous or well-known is a question of fact, and not of law, at a particular point in time and in a specific geographical region. In any such endeavor, it would be necessary to take into account a conglomeration of laws and individual and corporate rights to be adopted by potentially all courts and mediation bodies simultaneously. The list would have to be stringent enough to stand up to laws of all nations where a domain name or gTLD may be challenged – a jure gentium effectively. The mark must be recognized by not just trademark owners and experts, but individuals with no trademark expertise whatsoever.

We recommend that the IRT make clear to all parties that the GPML is in no way intended to be a list of marks that have achieved “fame.” The list, as proposed, would exist for very limited purposes—the string review of new TLDs and blocking identical second-level domains. For instance, the UDRP does not require that a mark be widely protected or famous, and in that context a mark that is not on the GPML should not be treated as lacking fame. Nor should the qualification or failure to qualify for the list carry weight in any national proceeding where the strength or fame of the mark is at issue.

With the limited purpose of the GPML in mind, focusing on existing trademark registrations in numerous countries appears to be the best approach because it limits the list to only those marks that can obtain protection across a broad range of national laws and rights. The number and geographic diversity of trademark registrations is also a good indicator in light of the limited purposes for which the IRT proposes to use the GPML: a) to block second-level domain registrations that are an “identical match” for the GPM, and b) to subject new gTLD
applications to comparison with the GPM at the string review stage. The former use requires near identity of the marks (hyphens and special characters aside), and the latter involves a "visual," "aural" and commercial impression (meaning) comparison. Neither of these tests takes into consideration the goods and services of the parties. Therefore, the risk is that, if the bar is set too low, it may unfairly lock out legitimate, but smaller trade-mark owners from obtaining domain names reflective of their own trademarks, on a global basis. That will occur irrespective of whether the owner of a listed GPM has a commercial interest in a particular domain name (or indeed if it is entitled to apply for a domain name in a specific registry due to geographic or industry requirements, for example), or whether its interests are subservient to a superior rights owner in a particular jurisdiction or jurisdictions. Therefore, the aim of the GPML should be to encompass all those marks that are indeed so "globally protected," that few if any legitimate rights will be impacted.

With these concerns in mind, there appear to be two kinds of issues with the GPML criteria: 1) qualitative issues with particular criteria that favor one region or one legal regime over another, and 2) quantitative issues with the level of protection required. We would recommend expanding the list to be more inclusive, in terms of not arbitrarily favoring one type of mark or legal regime over another, and in terms of accommodating those marks with true global scope, while at the same time keeping the bar high.

Qualitative Comments on the GPML Criteria

1. **Number of countries and registrations** – As mentioned above, focusing on existing trademark registrations in numerous countries is a solid primary focus of the criteria.

2. **Deadline for registration** – We also agree that there should be a deadline after which registrations would not be applicable, to prevent gaming of the top level and second level process. After the first round, the deadline should not unnecessarily restrict the possibilities for subsequent GPMs to be added to the list. For instance, the deadline might be set to “roll” to a particular time period before relevant application deadlines.

3. **Principal URL Corresponding to Mark** – Requiring the second-level domain for the principal online presence to be identical to the trademark makes sense, as does the requirement that the mark be registered in a set number of TLDs.

4. **Higher Threshold for Non-Exclusive Marks** – We also support the requirement of a higher threshold of registrations for those marks that have multiple registrants, however we do not believe that an alternative to this requirement should be a showing of fame. In addition to the factual and geographic nature of findings of a mark’s fame (or well-known status), we believe this criteria should be omitted for another reason: there is wide variability in the value and legal protections accorded to marks found to be famous or well known. For example, in Canada, the concept of "fame" is not a statutory (or common law) concept and it is doubtful that such a judgment would issue from a Canadian court. In other countries, even those that have adopted Article 6bis of the Paris Convention, very little protection is provided for well-known marks, so there would be little incentive to seek such a finding.

Quantitative Comments on the GPML Criteria

While it appears that the IRT has, for the most part, identified sensible metrics for globally protected marks ICANN should adopt criteria that are inclusive of most major global marks. The number of registrations and to a lesser extent the number of countries required is simply too stringent. With 194 independent states in the world (many of them small and some even lacking trademark (or, less infrequently, service mark) registers, 90 countries represents

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2 See [http://www.state.gov/s/inr/rls/4250.htm](http://www.state.gov/s/inr/rls/4250.htm).
nearly half this number. In addition, there are many very well-known brand names in certain regulated industries (like banking) whose owners cannot or do not do business in enough jurisdictions to amass the required portfolio, even though most people would consider the brands global.

Even more so, the requirement of 200 registrations (300 if any party, anywhere in the world, owns a registration for the same mark) is out of proportion to the number of registrations required to protect a mark globally, given that in many cases, marks may be protected through only a single registration in a particular country.

With these considerations in mind, the IRT may want to consider requiring fewer trademark registrations in fewer countries – as an example 150 registrations of national effect (200 registrations if any other party owns a trademark registration for the same mark) issuing from, for example, at least 70 countries across all five ICANN regions. The Committee believes that data from trademark owners would be useful in setting this criteria.

As for the registration of second level domains, the Committee believes that setting a threshold for how many TLDs a trademark must be registered in as a domain name, may not be central to the concept of whether the identifier is a globally protected trademark. Many trademark owners of well-known brands view their .com registration as the most important domain asset and, while some make use of registrations in other TLDs for localized or market-specific sites, others tend to register their trademarks for purely defensive purposes within mostly gTLDs. Therefore, the Committee recommends reducing this threshold requirement for inclusion in the GPML to significantly less than 50 TLDs. The Committee believes that data from trademark owners would be useful in setting the threshold.

Alternatives to the GPML

For those trademarks that qualify for GPM and even those that do not, it is important to remember that inclusion on the GPML merely blocks the registration of exact variations of the trademark (an “identical match”) in a registry that utilizes an IP Claims service, and prompts the consideration of the mark in the string review for new gTLDs. In our view, the GPML is less important for addressing second-level domains if registries provide a low-cost and easy expedited suspension and transfer mechanism, which would easily address both exact variations and misspellings without the need to demonstrate the validity of hundreds of registrations. Furthermore, the role of the GPML in the string review analysis could be replaced, to a certain extent, by including the marks asserted in previous, successful TLD dispute resolution proceedings. Thus, while the brand owner would still need to challenge the first application for its trademark as a TLD, the string review should, at a minimum, avoid the need to litigate the same trademark rights against successive similar TLD applications.

Finally, as a general matter, it is important that inclusion or exclusion on the GPML will not have some sort of negative precedent for trademark owners who are not on the list when it comes to enforcing their mark in courts, using the UDRP or in cease and desist letters/disputes with ICANN’s registries and registrars and infringers. For this reason, if ICANN implements a GPML, we urge ICANN to make abundantly clear that its purpose is solely for use in the IP Claims Service and the String Review, including possibly adopting a less sweeping title for the list.

3 While it would also be realistic to reduce the threshold even further, to perhaps 100 registrations in 50 countries, so long as registrations of supranational effect are counted as a registration in each country where it is valid—which we agree is appropriate—it would be possible for a mark to achieve this threshold without necessarily the same broad geographic effect. For instance, two registrations—in the European Community Trademark and in the African Intellectual Property Organization—would be treated as 43 registrations in 43 countries.
OTHER TOP AND SECOND-LEVEL RIGHTS PROTECTION MECHANISMS

Post-Delegation Dispute Mechanism

In general, we agree that there should be a meaningful post-delegation review in cases where a registry, as a result of the string itself, or of the registry’s policies, becomes a haven for cybersquatting. We are skeptical that ICANN will agree to a process where third-party complaints about registries set the clock running at ICANN for a formal complaint and investigation into whether such registry is in breach. Likewise, we disagree with the IRT’s proposal to ban the third party from participating in the proceeding and would be much more comfortable if, in addition to ICANN, the third party, whose trademark rights are being violated, would have the ability to press forward with the action against the registry. Despite gains, the room that is left for improvement in ICANN’s contractual enforcement suggests that the post-delegation procedure—and the participation of the complaining third party—may be necessary. In addition, we have the following specific comments and questions:

Section 2.1.1.1 - Because the reference to “complainant’s mark” does not specify registered marks, we presume it is meant to include unregistered marks. We believe the post-delegation procedure should be able to accommodate complaints based on unregistered marks if it is to be consistent with the fact that such rights can be protected under the UDRP and included in the IP Clearinghouse.

Section 2.1.1.2 – The second bullet point provides a ground for a mandatory administrative proceeding if the Registry Operator “Causes or materially contributes to domain name registrations therein, which are identical or confusingly similar to the complainant’s mark.” This standard should be expanded slightly to refer more specifically to issues where there is, as the result of combining a domain name registration with the TLD, the creation of a name that is confusingly similar, such as ya.hoo or e.bay.

The Committee recommends including, as one of the grounds that requires a registry to submit to a mandatory administrative procedure, failure to recognize the rights contained in the IP Clearinghouse.

Section 2.2.1.1 - The factors that the Panel takes into account when determining liability includes “whether the Registry Operator intentionally induced, knowingly permitted, or could not have reasonably been unaware of domain name registrations...”. This section should be more specific.

Section 2.2.1.4 - The footnote to this section invites comment on the relaxation of registry/registrar separation rules. As discussed in the IPC’s comments⁴ on the CRA International report on vertical separation between registries and registrars, the vertical separation requirement continues to play a valuable role and should not be significantly relaxed.

Section 2.6 - Availability of Court or other Administrative proceedings. While it is true that the post-delegation dispute procedure should not preclude action before a court of competent jurisdiction, one should be careful not to rely too heavily on the availability of court proceedings because the effectiveness of such measures varies depending upon jurisdiction.

Top-Level and Post-Launch Second Level Watch Notices

The idea of a watch service is a good one, but we question whether it is necessarily related to the IP Clearinghouse, and whether the IP Clearinghouse has the expertise to provide the service. As outlined in the draft report, any requestor can order a watch for any specifically identified string. The requestor does not need to own a right listed in the IP Clearinghouse, and the watch does not need to correspond to a right listed therein. Indeed, several vendors already provide watch services for new second-level domains based, we understand, on DNS data as opposed to registration information, albeit at a significant price. Nor should the IP Clearinghouse have unique access to information on which top-level domains are applied for; ICANN should provide the data so qualified third parties can provide watch services for top-level domains. That said, including the receipt of watch notices under any applicable IP Claims Service—at the owner’s option, for identical matches or matches of the trademarked term embedded within multi-word domains—within the benefit of registering one’s right with the IP Clearinghouse, would be desirable. The IP Clearinghouse should make sure that the watch service represents a low cost solution for requestors.

Pre-Launch Second-Level Rights Protection: The IP Claims Service

As outlined in the report, the IP Claims Service would provide the following benefits with respect to new second-level domains:

- **Identical match of a GPM**: registration blocked, unless registrant can claim that use would be consistent with generally accepted trademark laws.
- **Identical match of a mark in the IP Clearinghouse**: notice provided to IP owner and registrant; registrant must then opt to register the domain and make additional representations and warranties.
- **Non-identical match of a GPM**: no effect.
- **Non-identical match of a mark in the IP Clearinghouse**: no effect.

The IP Claims Service has the potential to be a very useful tool for most trademark owners, but the fact that it would only be triggered by identical matches is a deficiency. As discussed above, owners of marks in the IP Clearinghouse should be able to receive notices on matches of the trademarked term embedded within multi-word domains. In such cases, the registrant should similarly have to make the additional representations and warranties (particularly if the occurrence of false positives, like a hypothetical mark ERA within the domain parameters.tld can be avoided).

Thank you for considering our views on these important issues. If you have any questions regarding our submission, please contact External Relations Manager, Claudio DiGangi, at: cdigangi@inta.org

The International Trademark Association (INTA) is a 131 year-old not-for-profit membership association of more than 5,500 trademark owners, from more than 190 countries, dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective national and international commerce. Over the last decade, INTA has been a leading voice for trademark owners on the future of the Internet DNS, and it is a founding member of ICANN's Intellectual Property Constituency (IPC).