



International Trademark Association

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**Comments of the International Trademark Association (INTA)
Special Trademark Issues Review Team Recommendations
January 26, 2010**

I. Introduction

The Internet Committee of International Trademark Association (“INTA”) appreciates this opportunity to comment on the December 11, 2009 Special Trademark Issues (“STI”) Review Team Recommendations (the “Recommendations”).¹ INTA remains concerned with respect to the adoption of an unlimited number of new gTLDs and reincorporates its previous comments to the Implementation Review Team recommendations and the various versions of the Draft Applicant Guidebook.² INTA also notes with concern that many important issues, including the “overarching issue” of economic demand and impact, currently remain unresolved.

INTA commends the STI members for their hard work and diligence in completing their deliberations in an extremely short time period. INTA notes that the Recommendations are limited to the ICANN staff’s October 2009 draft proposals with respect to the Trademark Clearinghouse and the Uniform Rapid Suspension System (“URS”).³ INTA’s comments are therefore focused on those topics, although we reiterate the essential need for modifications to the new gTLD program to provide adequate consumer and trademark protection before any new gTLDs should be introduced.

While INTA is pleased to see that the STI Recommendations are an improvement beyond the current status quo, given the importance of resolving the overarching issues with an unlimited number of new gTLDs, including trademark protection, INTA believes it is critical for ICANN to adopt the Trademark Clearinghouse and URS in a manner that may actually lead to increased protections.

¹ Available at <http://gnso.icann.org/issues/>.

² See comments at:

<http://www.inta.org/images/stories/downloads/PDA/Documents/intacommentsondagv1.pdf>
<http://www.inta.org/images/stories/downloads/PDA/Documents/intacommentsondagv2.pdf>
<http://www.inta.org/images/stories/downloads/PDA/Documents/intacommentsondagv3.pdf>
<http://www.inta.org/images/stories/downloads/PDA/Documents/commentsondraftirtreport.pdf>
<http://www.inta.org/images/stories/downloads/PDA/Documents/intainternetcommitteecommentonfinalirtreport.pdf>

³ Available at <http://www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-tm-clearinghouse-04oct09-en.pdf> and <http://www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-urs-04oct09-en.pdf>.

Launching new gTLDs without sufficient rights and consumer protection mechanisms will unquestionably cause significant harm to both brand owners and the public at large. Cybersquatting, phishing and other unlawful trademark related activity have increased year over year, as reflected by the rising number of UDRP actions filed each year, as well as numerous studies reflecting double-digit increases in cybersquatting, phishing, and other unlawful activity on-line that abuses the public's trust in branded products and services.⁴ Consumers are harmed in many ways by such misconduct in the existing gTLDs, including the receipt of false information, exposure to offensive content and fraud perpetrated by anonymous, unscrupulous parties. Through often costly efforts to protect the public from these domain name system (DNS) related abuses and crimes, brand owners are forced to bear significant costs and burdens. These burdens include acquiring and maintaining large domain name portfolios through defensive registrations, and the monitoring and legal costs related to cybersquatting, including bringing UDRP actions or litigation to prevent consumer confusion in the Internet marketplace. These costs either make companies less competitive or are borne by the consuming public. Moreover, registries and registrars generally have little incentive to voluntarily adopt rights protection mechanisms to eliminate the need for defensive registrations since these entities stand to profit from the increased volume of domain name registrations.

With respect to the STI Recommendations, INTA agrees that a Trademark Clearinghouse and the URS can be effective to address some of the concerns of trademark owners with the new gTLD program. However, as discussed in more detail below, INTA agrees with many of the comments found in the Minority Positions filed by three of the eight groups which comprised the STI -- the Business Constituency, At-Large Advisory Committee, and the Intellectual Property Constituency -- that the Recommendations do not go far enough to provide sufficient protection to brand owners and consumers.

For example, the Clearinghouse recommendations provide new gTLD registries with unspecified discretion in determining "whether to grant protections to trademarks in the Clearinghouse." For the Clearinghouse to be effective on a global scale, INTA believes that equal protection must be extended to all trademarks of national effect in the Clearinghouse without discrimination. Also as currently drafted, the URS can be too easily manipulated by unscrupulous registrants without detriment. Without providing some minimum level of protection to all brand owners utilizing the information in the Trademark Clearinghouse and without putting into place procedures to prevent easy manipulation of the URS by abusive registrants, neither tool can be an effective mechanism to ensure adequate consumer and trademark protection in the new gTLD program.

⁴ See, e.g., MarkMonitor Brandjacking Indices, <http://www.markmonitor.com/pressreleases/2009/pr090309.php> ("For the second year, cybersquatting – the practice of abusing trademarks within the domain name system – continued to rank as brandjackers' tool of choice for exploiting reputable brands, growing by 18% in 2008.") and <http://www.markmonitor.com/download/bji/BrandjackingIndex-Spring2009.pdf> ("Brand abuse is increasing, but more important than the sheer volume is the increased sophistication and the opportunistic nature of brandjackers, who are quick to take advantage of current events and popular concerns.").

II. Support for Mandatory Use of Trademark Clearinghouse

INTA supports the concept of a Trademark Clearinghouse, provided it is implemented effectively to help prevent or significantly deter abusive domain name registrations. One of the primary concerns of brand owners with respect to the launch of an unlimited number of new gTLDs is the “Hobson’s choice” of either further bloating their domain name portfolios with largely useless defensive registrations, which already often comprise the vast majority of their current portfolios, or tolerating dilution and infringement of their brands by abusive domain name registrants. As reflected by the mounting numbers of UDRP cases, in which an overwhelming majority of the decisions favor the trademark owner, the problem of abusive domain name registrations continues to rise year after year, creating dangerous confusion and potential for consumer fraud.⁵ Over ten years of experience have shown that the existing domain name registration processes and current rights protection mechanisms available under the existing 21 gTLDs are insufficient to address these problems, which will only be compounded exponentially with the introduction of a potentially limitless number of new gTLDs.

INTA also notes that the Trademark Clearinghouse by itself is not designed to provide any proactive protection to brand owners or consumers. Instead, the Trademark Clearinghouse is merely a centralized database designed to ease the burden of providing documentation to prove trademark rights for each new gTLD, and perhaps a source of information in any notification system to potential domain name registrants of possible infringement or dilution. As proposed, the Clearinghouse is therefore not, nor was it intended to be, a rights protection mechanism, since by itself it does little to deter abusive domain name registrations. Rather, the protection would stem from how the information maintained in the Clearinghouse is utilized, not from the mere repository of the information. INTA agrees with the Business Constituency that a feasibility study should be done to help define the scope and potential utilization of the Trademark Clearinghouse.

For example, the Trademark Clearinghouse could easily be used for the voluntary pre-registration of information to be relied upon in a URS proceeding. In that regard, INTA notes that the IRT intended that the Trademark Clearinghouse work in conjunction with the Globally Protected Marks List (“GPML”), which in turn would be used to restrict the registration of certain obviously infringing domain names without requiring brand owners to overburden their portfolio with more defensive registrations.⁶ INTA continues to support the adoption of a mechanism that addresses the defensive registration problem as a key component in resolving the overarching trademark concerns that ICANN has committed to resolving before introducing new gTLDs.

⁵ See *id.* at footnote 4.

⁶ INTA notes that ICANN has given this type of protection to countries in its implementation plan of fast track IDNs (*See* ICANN, Final Implementation Plan for IDN ccTLD Fast Track Process, section 3.4, available at <http://www.icann.org/en/topics/idn/fast-track/idn-ccTLD-implementation-plan-16nov09-en.pdf>)

A. ICANN Should Require Use of the Trademark Clearinghouse to Support Post-Launch Trademark Claims (See Recommendation 7.1)

INTA joins with the Business Constituency (“BC”) and At-Large Advisory Committee (“ALAC”) in calling for ICANN to make the most robust and efficient use of the information contained within the Trademark Clearinghouse. Specifically, we agree with the BC and ALAC that the Trademark Clearinghouse should be utilized for rights protection mechanisms. To ensure adequate consumer protection, all new gTLD operators should be required to provide some type of rights protection mechanism after launch, and the Trademark Clearinghouse can be an invaluable source of information to be relied upon in any such mechanism. Indeed, the ability to leverage the information in the Trademark Clearinghouse could greatly facilitate rights protection mechanisms that might otherwise involve duplicative review of trademark rights claims by different registry operators. A mandatory rights protection mechanism operating throughout the life of a registry will assist in avoiding many of the costly and time-consuming disputes caused by “innocent” registration of domain names that infringe or dilute the trademarks of others. Similarly, a continuing rights protection mechanism would serve to thwart cybersquatters by forcing them to make express representations about their legitimate rights in the domain name that will strengthen a complainant’s claim under the UDRP or URS.⁷ A continuing rights protection mechanism requirement will be a disincentive to cybersquatting thereby making a more effective and efficient use of the Trademark Clearinghouse.⁸

We remind ICANN that one example of a proposed rights protection mechanism that could utilize the Trademark Clearinghouse and effectively prevent or significantly deter abusive domain name registrations is a GPML as outlined in the IRT recommendations and overwhelmingly supported as one of the key rights protection mechanisms requested by the public in the public comments to DAG v1. Unfortunately, ICANN has yet to indicate a willingness to adopt such a mechanism, and as a result, a significant hole remains to be filled if trademarks and consumers are to be adequately protected in the new gTLD program.

⁷ To dissuade the registration of obviously infringing domain names by cybersquatters and others who wish to conduct unlawful activity on the Internet by taking advantage of consumer trust in well-known brands, INTA further recommends the consideration of mitigating steps against registrants who expressly misrepresent their legitimate rights in a domain name.

⁸ INTA also notes that there has been a great deal of discussion surrounding the issue of who should bear the cost of the Trademark Clearinghouse. For reasons of equity, costs should be correlated to the creation and use of the Clearinghouse, and thus, should be shared equally by ICANN, registrars, registries, and other end users of the system.

B. Use Must Extend Beyond “Identical Matches” In the Trademark Clearinghouse (Recommendations, Trademark Clearinghouse section 4.3)

The Recommendations propose that the Trademark Clearinghouse notice or sunrise registration procedures apply only to "identical matches."⁹ Such a restrictive definition provides little practical protection to brand owners. The vast majority of cybersquatting is not comprised of domain names that are an exact match but are instead “match plus” or typosquatting.¹⁰ Typosquatting is a huge problem for brand owners in every segment of the economy. A 2007 study by Internet-security company McAfee concluded that "7.2% of the possible typographical errors we studied were actively squatting."¹¹ In other words, when a consumer misspells a popular domain name they have a 1 in 14 chance of landing at a typosquatter site, many of which prey on innocent users, including children, to promote illegal activity and display illicit material such as child pornography.¹²

Moreover, the proposed definition of an identical match is overly narrow and does not represent registry best practice, as recently employed by .ASIA in its sunrise process. INTA urges ICANN to adopt an approach for determining matches that would allow brand owners to submit for inclusion in the Trademark Clearinghouse both their trademarks and a descriptive term either (i) contained in the identification of goods or services covered by its trademark registration, or (ii) from the Nice classification for the registration. In addition, brand owners should be permitted to submit a verified list of generic or descriptive terms for which the brand owner can demonstrate they have trademark rights and have successfully prosecuted a UDRP or similar legal or administrative proceeding in the past.¹³ At a minimum, a match should include plurals of and domain names containing the exact trademark. Absent these provisions, consumers will face extensive risks and harms navigating various segments of the new gTLD space.

C. Non “Text Marks” Should be Included in the Clearinghouse (Recommendations, Trademark Clearinghouse section 4.1)

⁹ "Identical Match" as defined by Section 4.3 of the Recommendations means "that the domain name consists of the complete and identical textual elements of the Mark. In this regard: (a) spaces contained within a mark that are either replaced by hyphens (and vice versa) or omitted, (b) only certain special characters contained within a trademark are spelt out with appropriate words describing it (@ and &.), (c) punctuation or special characters contained within a mark that are unable to be used in a second-level domain name may either be (i) omitted or (ii) replaced by spaces, hyphens or underscores and still be considered identical matches, and (d) no plural and no 'marks contained' would qualify for inclusion."

¹⁰ See for example WIPO case D2003-0696

http://www.wipo.int/amc/en/domains/search/case.jsp?case_id=5383 concerning 60+ domain names reproducing a trademark with the addition of a generic word.

¹¹ See http://www.siteadvisor.com/studies/typo_squatters_nov2007.html

¹² See examples of typosquatting, including uses of popular children’s media brands, to advertise pornographic content at <http://research.microsoft.com/en-us/um/redmond/projects/strider/typo-patrol/screenshots.htm>.

¹³ This is a process similar to that successfully employed in the .ASIA sunrise policy <http://www.registry.asia/policies/DotAsia-IDN-Sunrise-Policies-DRAFT--2009-12-11.pdf>.

The Recommendations propose that the Trademark Clearinghouse be limited to only "text marks." Unfortunately, this vague term is undefined and, even if defined, a "text mark" cannot be determined without independent review by a Regional Validation Service Provider. In some jurisdictions, there are delineations of the types of trademark registration, such as "standard character" marks (i.e., text marks) and "design marks." However, there is no uniform international definition of what constitutes a "text mark." Further, in the United States, a mark in stylized-lettering with no design elements would still not be considered a "standard character" mark.

Moreover, many trademarks are protected worldwide solely by registrations that include the word mark with a design element, as registration for both the design mark and the text mark would be prohibitively expensive, and registrations for the composite of the design and words may extend protection to the word elements as well. Since expert review of marks going into the Trademark Clearinghouse is unavoidable, INTA believes that the most equitable process is for the Clearinghouse to include the textual elements found in design marks, provided that the mark sought to be included (i) is not a generic term and (ii) is presented in a prominent manner and can be clearly identified and isolated from the design element. This proposal is similar to the policy implemented by .ASIA.¹⁴

D. Common Law Marks Should be Included the Trademark Clearinghouse (STI Recommendation 4.2)

INTA welcomes the inclusion of common-law trademarks in the Trademark Clearinghouse, although it believes the Clearinghouse should *not* be restricted to court validated common-law marks only. More specifically, once a common-law trademark owner has gone through the more burdensome process of demonstrating the existence of a common law mark and validating that mark through the Trademark Clearinghouse process, it should be included in the Trademark Clearinghouse for future gTLD launches.

However, the requirements for "use" capable of supporting a common law application for inclusion in the Clearinghouse should be clarified to be consistent with trademark principles. For instance, with respect to a trademark used in connection with goods, "use" could be established through product labels, packaging and other material demonstrating that a mark is affixed to the accompanying goods. With respect to a mark used in connection with services, advertising and marketing materials would be acceptable to establish "use" with such services. Extending protection to common law marks would also facilitate potential future uses of the Trademark Clearinghouse to streamline the offering and evaluation of proof in other rights protection mechanisms, such as the UDRP (and other domain name dispute resolution policies) and URS, that allow claims for relief based on common law rights.

E. Use of Clearinghouse Must be Non-Discriminatory (STI Recommendation 5.2)

¹⁴ <http://www.registry.asia/policies/DotAsia-IDN-Sunrise-Policies-DRAFT--2009-12-11.pdf>.

STI Recommendation 5.2 (i) provides that trademarks may be excluded from the Clearinghouse from countries “where there is no substantive review” and 5.2 (ii) provides that “Registries shall have discretion to decide whether to grant protections to trademarks” in the Clearinghouse. In regards to these provisions, INTA believes for the Clearinghouse to be effective on a global scale, protections must be extended to all trademark registrations in the Clearinghouse of a national or multinational effect without discrimination.

INTA stresses the Recommendations do not define “substantive review” but that it must include review based on absolute grounds (*e.g.*, genericness), even if no review is made during examination based on relative grounds (*e.g.*, conflict with a prior registered mark). This is necessary to include one of the world’s most meaningful trademark registrations, a European Community Trade Mark. Any other decision on this issue would deprive owners of many of the world’s most recognized brands an opportunity to fully participate in the Trademark Clearinghouse, thereby courting disastrous consequences for consumer fraud and deception. Additionally, such a requirement will grossly prejudice trademark owners in a majority of the world’s jurisdictions.

In regards to the concerns raised, INTA agrees with the IPC statement that “in order to address a few problematic registrations, the proper solution for such concerns is to deal with questions of scope and validity through filing deadlines, notice, disclosure, and challenge procedures.” For example, a domain name registrant could challenge a trademark as being merely generic in a sunrise challenge or in its answer to a URS complaint, which might be used to support a claim of the filing of an abusive complaint by the purported trademark owner.

Finally, INTA also agrees that the trademark information in the Trademark Clearinghouse should be available for use by complainants to “pre-populate” a URS complaint form. This would help to streamline the complaint process and lower costs for all involved.

F. Applicability of Trademark Clearinghouse to IDN’s

INTA agrees with the Recommendations that the Trademark Clearinghouse be able to accommodate submissions from all over the world. However, the Recommendations fail to clearly specify whether the Trademark Clearinghouse will apply to Internationalized Domain Names (“IDNs”). It is noted that the Final IRT Report states that the Trademark Clearinghouse should support IDNs and that, in general, the procedures developed by ICANN relating to new gTLDs should include provisions to address IDN issues. INTA supports this principle and asserts that the definition of an “identical mark” should include transliterations of marks in alternative alphabets/character sets identified by the brand owner. If the pre-launch services are not intended to address these issues, such limitations should be specifically identified in the procedures to ensure that trademark owners, registry operators, and registrars understand the limitations.

Finally, the provider(s) of the Trademark Clearinghouse should not have the ability to offer ancillary services based on information gathered at the expense of trademark owners without the consent of each trademark owner. Otherwise, allowing ancillary services will likely lead to misuse and abuse of trademark data.

III. Uniform Rapid Suspension System

INTA believes that the URS can be an important remedy for brand owners to effectively and efficiently address abusive domain name registrations. The Recommendations, however, would not prevent the URS from being easily manipulated by cybersquatters, thereby limiting its value.

A. Lack of a Loser Pays Model (See Recommendations, in part, URS sections 5.2 and 7.2)

A system where the loser pays is an effective deterrent to both abusive domain name registrations and overreaching by trademark owners. Unfortunately, the Recommendations provide penalties for both abuse by trademark holders and abuse by examiners (see URS sections 9.1 and 9.2), but nothing for abuse by registrants. As reflected by the overwhelming number of UDRP decisions in favor of trademark owners, abuse by registrants is much more commonplace than abuse by either the trademark owner or the examiner. For example, there are no provisions to address repeat offender cybersquatters. A loser pays model is a first step to address such abuses. Given the very nature of the URS and the fact that it is designed to address clear-cut cases of cybersquatting, it seems particularly appropriate to impose the financial burden of such claims on the losing party. Beside the fact that it would be fair to implement such a system, it would also act as a deterrent to cybersquatters. Some existing alternative dispute resolution procedures have already adopted this type of system, so this is not a novel concept.¹⁵ INTA reiterates its suggestion for the inclusion of a loser-pays system.

B. Successful Claimants Should Have Option to Transfer Domain Name or The Suspension Period Should Be Extended (See Recommendations, URS sections 7.1 and 7.2)

The Recommendations provide that the sole remedy for a successful URS complainant is that the subject domain name is placed in a locked state for the life of the registration, which may be as little as a few months. After expiration of the registration period, the domain name moves on through the redemption and deletion process. Experience dictates that once a domain name is created it typically stays in existence, commonly being re-registered by automated registration programs and individuals looking to monetize the once-registered domain name as soon as it has been released.

INTA reiterates its position and urges ICANN to include a provision in the URS procedure that would protect successful complaints from being stuck in an annual cycle

¹⁵ See the ADR system implemented by the Belgian Registry.

of URS proceedings filed over the same domain name. Alternatively, INTA suggests that the suspension of the domain name should last indefinitely or so long as the successful complainant continues to verify its trademark rights with the Trademark Clearinghouse. This would help to address the problem of brand owners being forced to maintain large defensive domain name portfolios created in large part by recovering infringing domain names from cybersquatters. At the very least, the successful complainant must be given notice of the pending deletion of the domain name in the redemption period and provided the right of first refusal to register the domain name. Although this does not alleviate the problem of defensive registrations, this process would allow a complainant to break the cycle of repetitive serial URS proceedings without the cost of initiating a UDRP proceeding for transfer of the domain name.

C. The Fees Associated with the URS are Likely to Render the Process Ineffective.

As discussed above in section III.B, the remedy of a suspension of the domain name is inadequate to fully protect brand owners. Without a mechanism providing for transfer or indefinite suspension of domain names, the costs associated with a URS proceeding, when compared to the benefits received by successful complainants, will render this process an irrational choice, and thus, likely an unused process.

Proposed URS Examination Instructions provide that an examiner consider three elements: (i) whether the domain name is identical or confusing similar to the complainant's trademark, (ii) whether the registrant lacks any right or legitimate interest in the domain name, and (iii) whether the domain name was registered and is being used in bad faith.¹⁶ The time and corresponding costs associated with conducting a fact investigation to support these elements, preparing a complaint, and submitting a URS proceeding are likely to approach, or equal, that of preparing a UDRP proceeding. In fact, the heightened standard of review of a URS proceeding may increase the burden on complainants relating to obtaining sworn statements and evidence of greater evidentiary quality. Further, with respect to provider costs, the final IRT Recommendations predicted that providers of URS proceedings would charge filing fees of \$300 per decision.¹⁷ However, many commenters have been skeptical that the filing fee for URS proceedings will actually be \$300 and have predicted filing fees greater than \$500.¹⁸ Thus, while there would likely be some savings compared to a UDRP proceeding, the URS procedures lack a sufficient remedy, meaning that a brand owner likely would have to bring a UDRP proceeding anyway. In sum, to have an effective URS system, in light of the likely costs to complainants, ICANN should (i) adopt a loser-pays system, and (ii) provide a more substantial or permanent remedy such as transfer of the domain name or an indefinite suspension.

¹⁶ See Annex 6 – Evaluation of the URS Case, Recommendations at p. 44.

¹⁷ For GNSO Consideration Uniform Rapid Suspension System (URS) at p. 6 (Oct. 2009), www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-urs-04oct09-en.pdf.

¹⁸ Note the comment submitted by the National Arbitration Forum: "Cheap pricing proposed by the URS sounds good but based on NAF experience there will not be a provider that can provide fair, neutral and complete decisions for this fee amount." ICANN Summary of URS Comments at p. 8.

D. Appeals Process Must be Modified within the Uniform Rapid Suspension System (STI Recommendations 8.1-8.4)

Because the URS is designed for quick action for particularly egregious cases of abuse, the appeals process in STI Recommendation 8.1 would defeat the purpose of the system. Allowing registrants to drag out the process through an appeal would diminish the benefit the URS is supposed to provide.¹⁹ As with the UDRP, the aggrieved party should have the right to proceeding *de novo* in a court of competent jurisdiction.

In addition, Section 11 of the ICANN staff draft URS Procedure²⁰ provides that, if a complainant is successful, a registrant may (i) appeal that ruling to the URS ombudsman on the grounds that the decision was arbitrary, capricious, or an abuse of discretion on the part of the examiner, or (ii) appeal the ruling to a court of competent jurisdiction. However, no corollary rights of appeal are afforded to the complainant. In this regard, INTA believes strongly that the complainant should have the same legal remedies as the respondent. This is consistent with STI Recommendation 8.3 that the URS should not preclude either party from any other legally available appeals or remedies, such as filing a UDRP complaint or a lawsuit.

In addition, if an appeal process is implemented, INTA agrees with STI Recommendation 8.2 that the domain name should remain in “status quo” prior to the appeal. Thus, if the registrant appeals, the domain name should not automatically be redirected to the registrant’s name servers, which would allow for abuse to continue and consumers to be potentially harmed or defrauded. Similarly, contrary to STI Recommendations 4.3 and 5.3, if an answer is filed after a default decision, the domain name should not automatically be redirected to the registrant’s name servers. Rather, the filing of an answer after a default decision should be treated the same as an appeal with respect to maintaining the status quo of the domain name prior to the filing of the appeal or late answer.

On a related issue, ICANN should clarify the difference between an “appeal” and the filing of a “late answer” after a default judgment – which seems to be essentially an appeal of the default judgment. INTA notes that Section 6 of the ICANN staff’s October, 2009 draft URS procedure²¹ stated that “[s]ome form of relief from Default seems appropriate under limited circumstances, and is the subject of further review.” At a minimum, INTA recommends that a time limit be placed on the filing of a late answer after a default judgment and that consideration of such an answer be within the discretion

¹⁹ Similarly, INTA supports STI Recommendation 5.1 giving the registrant only 20 days to answer, without the possibility of requesting an automatic seven day extension. Such an extension is contrary to the intended “fast track” resolution of egregious cases of abuse that the URS should provide.

²⁰ See <http://www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-urs-04oct09-en.pdf>.

²¹ Available at <http://www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-urs-04oct09-en.pdf>.

of the URS Provider, depending on the reasons given in the answer for why it was filed late.

E. URS Standard of Proof Must be Changed (STI Recommendation 2.4)

In contrast to STI Recommendation 2.4, INTA is concerned that it may be very difficult for a trademark owner to prove by “clear and convincing” evidence that the registrant lacks a “legitimate interest” in the domain name. This involves proving a negative, which can rarely be done in more than a presumptive manner. Indeed, a more logical system is for the *registrant* to bear the burden of proving that it has a legitimate interest once the complainant has established by clear and convincing evidence the other elements of a URS complaint, namely that the registered domain name (i) is identical or confusingly similar to a trademark in which the complainant has rights and (ii) was registered and is being used in bad faith. Accordingly, consideration should be given to treating “legitimate interest” in the domain name as an *affirmative defense* of the registrant for which it should bear the burden of proof.

F. Fees for Multiple Domain Names (STI Recommendation 5.2)

STI Recommendation 5.2 makes no mention of any fees payable by a domain name registrant when filing an answer to a URS complaint. INTA supports the position in Section 5 of the Implementation Review Team’s report²² that a registrant should pay a fee to file a response when more than a certain number of domain names are at issue. INTA believes this is a reasonable middle ground that balances the concerns of requiring a registrant to pay to defend itself against the desire to impose a fee to deter cybersquatters who often register large numbers of infringing domain names.

G. Penalties for Abuse by Trademark Owners (STI Recommendation 9.1)

INTA believes that permitting counterclaims alleging abusive complaints or complaints filed for improper purposes is a valuable tool to deter complaints that are frivolous, harassing, or without merit by parties without legitimate rights in a mark. However, INTA disagrees with STI Recommendation 9.1 regarding the threshold at which a trademark owner should be barred from filing a complaint under the URS. Instead, INTA believes that a fair balance is barring complainants from the URS for a one-year period following three URS abuse judgments within any five-year period.

INTA agrees with STI Recommendation 9.1 that ICANN staff should clarify what constitutes “abuse” by trademark owners. INTA believes that any such definition should clarify that abusive complaints are those in which a registrant provides compelling evidence that a complainant has abused the system by filing a complaint based on a false

²² Available at: <http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>.

claim of rights or by asserting fraudulent claims against domain names that clearly involve legitimate use. Likewise, any such definition should specify that a complainant is not deemed to have filed an abusive complaint solely because a complaint is denied, or because a complainant seeks to enforce its rights regularly and vigorously through the URS.

INTA also believes that, just as there should be penalties for trademark owners who abuse the system, there should also be penalties for domain name registrants who abuse the system. It is inequitable to include penalties for the speculative (and likely very rare) trademark owner who would engage in abusive and vexatious litigation when there is a ten-year track record of many actual domain name registrants who have consistently sought to register domain names and profit from consumer confusion.²³ Accordingly, we strongly recommend that ICANN consider measures against domain name registrants who have been found to consistently engage in abuse, whether it be barring them from registering more domain names, establishing a presumption of abuse in future URS or UDRP proceedings against them, or establishing/increasing any fees due for filing an answer to a URS or UDRP complaint. INTA recognizes the difficulty of establishing that any one registrant is the same as or affiliated with another, though where such a relationship can be established INTA believes that there should be consequences for registrants who repeatedly engage in abusive practices to harm consumers and legitimate business interests.

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

ABOUT INTA

The International Trademark Association (INTA) is a 131-year-old not-for-profit association of over 5,600 member organizations from over 190 countries. One of INTA's key goals is the promotion and protection of trademarks as essential elements of national and international commerce. During the last decade, INTA has served as a leading voice for trademark owners in the development of cyberspace, including as a founding member of ICANN's Intellectual Property Constituency.

²³ For instance, a federal court in the Northern District of California upheld on Appeal an award to Verizon against OnlineNIC for \$33.15 million for of the 663 domain names OnlineNIC registered that "were 'confusingly similar' or in some cases identical to Verizon trademarks with the intention of attracting users who were looking to access legitimate Verizon sites." T. Conneally, *Court upholds pre-Verizon ruling in 'largest cybersquatting case ever'* (Aug. 27, 2009), <http://www.betanews.com/article/Court-upholds-proVerizon-ruling-in-largest-cybersquatting-case-ever/1251381903>