



**Comment on Preliminary
Issue Report on a GNSO
Policy Development Process
to Review All Rights
Protection Mechanisms in All
gTLDs**

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Business Constituency Submission

GNSO//CSG//BC

Background

This document is the response of the ICANN Business Constituency (BC), from the perspective of business users and registrants, as defined in our Charter:

The mission of the Business Constituency is to ensure that ICANN policy positions are consistent with the development of an Internet that:

1. promotes end-user confidence because it is a safe place to conduct business
2. is competitive in the supply of registry and registrar and related services
3. is technically stable, secure and reliable.

The Business Constituency is pleased to provide answers to selected questions posed in the Preliminary Issue Report (“Report”) on a GNSO Policy Development Process to Review All Rights Protection Mechanisms in All gTLDs, opened for comment on October 9, 2015.

This Report builds upon the Rights Protection Mechanisms (RPM) Review on which we submitted comments on May 1, 2015¹. At that time we stated:

As a general matter, we found the review of the effectiveness of RPMs in New gTLD Program to be quite thorough and believe this effort will further strengthen these necessary safeguards. Further, we believe that ICANN should continue to collect and disseminate data from which to draw conclusions about the RPMs. ICANN should also incorporate into its review a broader range of community input based on staff observations, qualitative reports of abuse or gaming, public comments submitted to ICANN, contractual compliance complaints, and transcripts from public ICANN meetings.

We also noted the need for greater outreach to counteract the underutilization of the RPMs, and the “need for enhanced oversight over abusive registry practices aimed at taking advantage of the system at the expense of rights owners in violation of the spirit of the RPMs”.

We are pleased that the Report on which we are now commenting will lay the groundwork for a thorough review that we believe should result in making the RPMs more effective prior to the opening of any new round of gTLD applications.

As for the contemplated UDRP review, we take note that this is ICANN’s oldest Consensus Policy and the only one that has never been subject to review. In July 2011, in commenting upon the “Preliminary GNSO Issue Report on the Current State of the UDRP”, the BC took the position that “there should not be a PDP on the UDRP” at that time because “Some BC members are concerned that ICANN may commence a PDP despite the UDRP being the only tried and tested rights protection mechanism in place prior to implementing the new gTLDs”². Subsequent to that submission, the GNSO Council adopted a December 2011 resolution that directed staff to submit a comprehensive report on the new gTLD RPMs

¹ 1-May-2015, BC Comment on Draft Report: Rights Protection Mechanisms Review, at <http://www.bizconst.org/wp-content/uploads/2015/05/BC-comment-on-RPM-review.pdf>

² 15-Jul-2011, BC comment on Preliminary GNSO Issue Report on the Current State of the UDRP, at http://www.bizconst.org/wp-content/uploads/2014/06/BC_on_UDRP_Issues_Report_July_2011.pdf

and the UDRP with delivery eighteen months after the delegation of the first new gTLD, so that the experience with the RPMs – especially Uniform Rapid Suspension (URS), which is modeled upon the UDRP -- could inform their review as well as that of the UDRP. That is the report we are now commenting on.

While the BC believes that the UDRP is working well overall, it now seems timely to engage in a review of its performance with an eye toward considering possible improvements, so long as that UDRP review commences after completion of the RPM review.

Preferred Review Option: Separate and Sequential

The Report lays out three possible options for conducting the review of the RPMs and UDRP:

1. Review all RPMs and the UDRP simultaneously
2. Modify the first option by mandating that the Working Group Charter require the WG to review its timeline and overall work plan when output from the Competition, Consumer Trust, and Consumer Choice (CCT) review becomes available.
3. Conduct the review in two phases, with a review of the new gTLD RPMs preceding a review of the UDRP.

The BC strongly prefers the third option.

This matter was discussed extensively when we met at ICANN 54 in Dublin. As a result of that internal discussion, Interim Chair Philip Corwin delivered the following remarks to the Board at the Dublin Public Forum:

I just want to make the board and the assembled community aware that in our discussions, we've been looking at the preliminary issue report on a policy development process to review all rights protection mechanisms and all generic top-level domains, which is quite a mouthful. And this basically tees up first: Are the RPMs developed for the new TLD, are they effective? And should they become consensus policies?

The second part of this is: The UDRP, which is the oldest consensus policy in the world of ICANN...and is the only one that's never been reviewed.

It's our preliminary consensus that these two issues, the effectiveness of the RPMs and whether they should be consensus policies, and the UDRP review and potential reform should proceed on separate parallel tracks.

And there are two main reasons for that. One, each of these on its own is a complicated and daunting subject. And trying to do all of this at once combined could be too much to adjust and too much for any working group to grapple with.

Second, we believe there will probably be a desire, if it can be done, to review the RPMs and make any changes before the second round of new TLDs. And we wouldn't want the UDRP hitched to that and be given short shrift or having to deal with the question later on of separating them.

So it's our consensus view -- and we, of course, as is our practice will share a very comprehensive statement with the community on this report that these should proceed separately.

This comment letter comprises the comprehensive statement promised in those remarks. In regard to the draft Working Group (WG) Charter appearing at pp.34-7 of the Report, we would request that there be two final Charters, one for the RPM review WG and the second for the UDRP review WG, and that both Charters be based upon elements of the comments that follow.

However, if our input on review options is followed the UDRP review will not commence until the RPM Review is completed. Therefore, the Charter for the UDRP review should not be made final until its commencement; we comment further on the proper scope of a UDRP review later in this submission. The final text of both PDP Charters will of course be subject to standard GNSO Council review and approval.

Responses to Questions Concerning RPMs

URS

Should the ability for defaulting respondents in URS cases to file a reply for an extended period (e.g. up to one year) after the default notice, or even after a default determination is issued (in which case the complaint could be reviewed anew) be changed?

We believe that the actual experience with URS defaulting respondents should be reviewed in addressing this question. So far as we are aware, no defaulting respondent has ever made use of this extended opportunity to reply, which suggests that a shorter period may be in order.

Is the URS' 'clear and convincing' standard of proof appropriate?

Yes. The URS was meant as a rapid response RPM for "know it when you see it/black and white" cases of trademark infringement, and a somewhat higher burden of proof than the UDRP's "clear and convincing" is consistent with that intent. An expedited version of the UDRP can certainly be considered when it undergoes review.

Is there a need to develop express provisions to deal with 'repeat offenders' as well as a definition of what qualifies as 'repeat offences'?

The BC has no current position on this but believe the RPM review should explore this issue.

Should the URS allow for additional remedies such as a perpetual block or other remedy, e.g. transfer or a "right of first refusal" to register the domain name in question?

The BC believes that, at a minimum, where the domain name found to be infringing in a URS proceeding is an exact match to a trademark that is not a dictionary word it should be placed on a list of names permanently blocked from future registration by any entity other than the trademark holder. It is doubtful that such a domain can be registered in a non-infringing manner by any entity other than the trademark owner, and the trademark owner should not be burdened by the costs of repeated URS filings on the exact same domain name at that gTLD or of perpetual defensive registration of such domain.

Is the current length of suspension (to the balance of the registration period) sufficient?

As indicated in our response to the prior question, in at least certain instances a domain found infringing in a URS should be permanently suspended and barred from re-registration.

Is the cost allocation model for the URS appropriate and justifiable?

This issue should be explored in the RPM review.

Should there be a loser pays model? If so, how can that be enforced if the respondent does not respond?

This issue should also be explored in the RPM review.

Should the Response Fee applicable to complainants listing 15 or more disputed domain names by the same registrant be eliminated?

We believe the review should give active consideration to the elimination of this fee, which imposes an additional cost on rights holders responding to egregious infringement by a single registrant

Sunrise Period

Should the availability of Sunrise registrations only for “identical matches” (e.g. without extra generic text) be reviewed?

Yes. The marks available during the Sunrise period only allow Trademark owners to register the exact TMCH marks. In most instances this is acceptable, but some company brands are recognized by generic texts associated with their mark such as “Buy Gucci”, “Fox Movies”, and “Microsoft Download” especially in certain TLDs. Although this could provide complication to the Sunrise Period, it should be reviewed further.

Is the notion of “premium names” relevant to a review of RPMs, and, if so, should it be defined across all gTLDs?

The Business Constituency has consistently called for a standardized Sunrise process to minimize the confusion and costs to registrants to participate in the Sunrise period. Currently, some registry operators are taking unfair advantage of the premium name carve-outs from RPM requirements and intentionally charge exorbitant fees for those marks listed in the TMCH.

Another concern is the notion of “Promotional Names”. Specification 5 enables registry operators to self-allocate and use up to 100 domain names “necessary for the operation or promotion of the TLD” regardless if they are trademarks in the Trademark Clearinghouse and prior to the Sunrise period. By doing so, they are able to self-register and use the domain prior to the Sunrise Period, clearly at the expense of the trademark owner. Although the trademark owner can later register the domain during the Sunrise Period, this again allows certain registry operators to game the system for a hefty profit.

Following from Question 2, should there be a mechanism to challenge whether a domain is a 'premium name'?

Yes. The Business Constituency believes that Trademark owners should be afforded an opportunity to dispute 'premium names' prior to registration, and a mechanism to support this should be developed prior to the next new gTLD round. Currently, registry operators are not required to provide a list of premium names prior to the registration. This gives them the unfair advantage of waiting for registrants to request domains and then charging a premium fee based on what's requested. It is critical that ICANN closely review the registry allocation practices to ensure such gaming is addressed and to allow registrants to clearly understand what is premium prior to registration.

Should there be a specific policy about the reservation and release of "reserved names" (e.g. modification of Section 1.3.3 of Specification 1 of the current Registry Agreement)?

The release of reserved names should go through the same process as required by the Sunrise period, allowing trademark holders the opportunity to be notified and first right to register the released domain that matches their mark. Registry operators should provide justification on why they intend to withhold well known and distinctive trademark names.

Should there be a public, centralized list of all reserved trademarks for any given Sunrise period?

The BC believes this question is worthy of exploration during the RPM PDP.

Should holders of Trademark Clearing House-verified trademarks be given first refusal once a reserved name is released?

Yes.

Should Sunrise Periods continue to be mandatory? If so, should the current requirements apply or should they be more uniform, such as a 60-day end-date period?

Yes, and should be consistent for all open new gTLDs with a 60-day end-date period to avoid confusion and provide trademark holders the appropriate time to register.

Trademark Clearing House (TMCH)

Should there be an additional or a different recourse mechanism to challenge rejected trademarks?

Currently, the TMCH provides a procedure where a trademark holder/ agent may submit a dispute to challenge a rejected trademark record within a period of sixty calendar days after the trademark record has been deemed <invalid>. Fees are only payable when the Review Panel upholds the determination of the Verification Agents.

The Review Panel would review and come to a determination of the dispute within seven calendar days once all required information are provided.

The BC believes that the current mechanism set forth to challenge rejected trademarks is sufficient and provides clear instructions to applicants on how to submit disputes.

Should further guidance on the TMCH verification guidelines for different categories of marks be considered?

The Trademark Clearinghouse Guidelines booklet (downloadable from the TMCH website) details eligibility requirements and details the 3 categories of marks accepted by the TMCH.

The BC believes that the current guidelines and provided information are sufficient and provide enough information for applications.

Should the TMCH matching rules be expanded, e.g. to include plurals, ‘marks contained’ or ‘mark+keyword’, and/or common typos of a mark?

To achieve better protection and prevent abuse, the BC believes that consideration should be given to modifying the current TMCH matching rules to include plurals and other common variations that relate to the mark.

In regard to typographical variations, in its January 2013 comments on the “Strawman Solution” the BC endorsed a Limited Preventative Registration (LPR) approach as a mechanism for trademark owners to prevent second- level registration of their marks (exact matches, plus character strings previously determined to have been abusively registered or used) across all gTLD registries, upon payment of a reasonable fee, with appropriate safeguards for registrants with a legitimate right or interest. A variation of this approach was adopted as an implementation detail for the new gTLD program in the form of the “trademark plus fifty” program, which allows a rights holder to register in the TMCH database up to fifty “typosquatted” domain names that have been recovered in a UDRP or court action. The BC believes that the limitation to 50 labels is arbitrary and has proven insufficient in certain instances, and should be lifted or eliminated.

While consideration should be given to broader registration of typographical variations beyond those recovered by rights holders, it should consider such questions as whether such expansion would dilute the purpose of the TMCH as a repository of validated trademarks, or generate excessive “false positive” Trademark Claims notices to registrants with no intent to infringe.

Once the TMCH has been affirmed or modified by the contemplated review, each trademark record should include a list of the mark and all variations to be protected under the same record.

Trademark Claims

Should the Trademark Claims period be extended beyond ninety (90) days?

Absolutely. The BC has long believed that the Trademark Claims service should be extended indefinitely from the current 90-day period. This service allows registrants to make informed decisions and provides essential notification to TM holders. Given its demonstrated value to all parties, it makes no sense to discontinue notification services after an arbitrary period of 90 days.

Should the Trademark Claims period continue to apply to all new gTLDs?

Yes

Should the Abused Domain Name Label service be continued?

The BC believes this question is worthy of exploration during the RPM PDP.

Does a Trademark Claims period create a potential “chilling effect” on genuine registrations, and, if so, how should this be addressed?

The BC believes that these notices effectively communicate the fact of the registration to the brand owner, allowing the brand owner to conduct additional investigation and follow-up as necessary, and that this benefit outweighs any hypothetical chilling effect. However, as we commented in May 2015, we support consideration of adding further language to the Claims Notice which clarifies the basic elements of trademark infringement, notes that particular laws vary by jurisdiction, and urges registrants to consult with counsel with any questions; such additional language would be of assistance to legitimate registrants with no infringing intent.

Additional Questions

Do the RPMs work for registrants and trademark holders in other scripts/languages, and should any of them be further “internationalized” (such as in terms of service providers, languages served)?

Such a question seems predominantly operational in nature, which seems asynchronous with staff's earlier note in the PIR:

A review of the community feedback provided to the UDRP Report and initial RPM Staff Paper shows that some members of the community believe there to be a number of issues that are in need either of policy development by the GNSO or that are ripe for review more generally. While some of the issues identified by the community clearly relate to operational problems and possible procedural improvements, some would seem to warrant community consideration of whether they would be appropriate issues for a GNSO Working Group to analyze in a PDP to review the RPMs. Those issues that appear to clearly relate to operational and procedural matters have not been listed in this section, as they would likely fall outside the scope of a GNSO policy review.

To the contrary, the BC would support of the analysis of operational and procedural questions for a PDP such as the one(s) proposed. For example, the BC has previously stated support for the operational matter of standardized accreditation processes for UDRP providers. Additionally, other seemingly operational and/or procedural issues have also been previously raised by the BC for a potential UDRP PDP; including registry & registrar obligations, domain locking, renewal and transfer procedures, and standardized procedures for the un-masking of proxy registrants (that last item is now being addressed by a separate WG on privacy/Proxy Provider Accreditation Standards. So we do not oppose the exploration of such issues in the context of analyzing policy implementation.

Do the RPMs adequately address issues of registrant protection (such as freedom of expression and fair use)?

We are not aware of any significant, documented reports of such unintended consequences, but a RPM review should certainly take such evidence into consideration if it is made available.

Have there been abuses of the RPMs that can be documented and how can these be addressed?

As noted in the Sunrise section of our comments, certain registries appear to have abused premium name designations for profit-making purposes, contrary to the RPM's goal of protecting rights holders.

Is there a policy-based need to address the goal of the Trademark PDDRP?

The BC values the existing Post-Delegation Dispute Resolution Procedures (PDDRP) and welcomes the deeper community discussions of it that will occur within the context of an RPM review PDP.

UDRP Issues

Are the UDRP's current appeal mechanisms sufficient?

The UDRP allows either the registrant or complainant to file an "appeal" in a court of jurisdiction under applicable law. Such an appeal will stay the effect of the UDRP decision, and may also cause the UDRP to be suspended if filed in advance of a decision. This appeals mechanism is consistent with the purpose of the UDRP as an optional means of securing a faster and less expensive arbitration panel decision as an alternative to litigation, rather than a mandatory substitute for it. Such a mandate would be outside the scope of ICANN's powers, as it has no authority to deny any party their rights under applicable law.

To the extent that a UDRP review gives any consideration to enhancement or expansion of the available judicial appeals mechanism, the BC believes it should be with the aim of assuring greater consistency and predictability in UDRP decisions. As there is no binding precedent in the UDRP system -- and as panelists employed by other UDRP providers are not obligated to follow the only available comprehensive guidance, the WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Second Edition ("WIPO Overview 2.0") -- the UDRP process is sometimes characterized as unduly arbitrary by both complainants and registrants. This lack of consistency is likely to become more pronounced as ICANN accredits additional providers in the future, as there is no requirement for consistent decisions among disparate providers, much less a mechanism for enforcing such a policy goal. Therefore, the best reason for the exploration of an internal, non-judicial appeals avenue would be to provide for the reconciliation of divergent opinions in similar cases, and the establishment of a mechanism for assuring greater decisional consistency and predictability.

Should there be a limit to the time period allowed (e.g. similar to a statute of limitation) for bringing UDRP complaints?

This question appears quite similar to the one on laches below, so this answer will suffice for both.

We would be reluctant to endorse an inflexible laches policy that bars the filing of a UDRP owned by the same registrant for an extended period because length of registration does not bar the initiation of infringing use at some point in time. (We recognize that this response raises the issue of whether the "bad faith registration and use" standard of the UDRP relates to only the original registration or to subsequent renewals as well, on which there is presently a divergence among UDRP panelists.) On the other hand, if a registrant has owned a domain for an extended period and has not altered its use it may be reasonable to provide some protection, as such website may have been established as the basis for a business, blog, or other legitimate use. The UDRP review should consider various viewpoints on this question.

Are free speech and the rights of non-commercial registrants adequately protected in the existing policy?

This is an area that illustrates the need for assuring greater consistency and predictability in UDRP decisions.

We note that Section 2.4 of the WIPO Overview 2.0 addresses the question “Can a criticism site generate rights and legitimate interests?” and states:

In the event that a domain name identical or confusingly similar to a trademark is being used for a genuine noncommercial free speech website, there are two main views. In cases involving only US parties or the selection of a US mutual jurisdiction, panelists tend to adopt the reasoning in View 2...

View 1: The right to criticize does not necessarily extend to registering and using a domain name that is identical or confusingly similar to the complainant's trademark...

View 2: Irrespective of whether the domain name as such connotes criticism, the respondent has a legitimate interest in using the trademark as part of the domain name of a criticism site if such use is fair and noncommercial.

Diverging decisions on nearly identical fact patterns are troubling. Creation of a process to eliminate such divergence to the maximum extent possible, and assure consistent application of the UDRP on a global basis, should be an overarching aim of its review and will benefit both complainants and registrants.

Should there be a formal (mandatory) mechanism of early mediation?

No. The initiation of a UDRP is often preceded by the sending of a cease and desist letter outlining the infringing use and requesting domain transfer. Mandatory mediation would only increase the time and expense associated with addressing infringing domains. The review could consider whether it would be useful and feasible to provide for availability of optional, voluntary mediation where both parties to a domain dispute desire it and are willing to bear the associated costs – although it is not entirely clear that existing UDRP providers are equipped to provide such services.

Are the current time limits of the UDRP (for filing, response, determinations and appeals) adequate?

This is a legitimate question that should be addressed by the review.

Should there be rules for the appointment of UDRP panels, such as formalized rotations?

Again, as we are aware that some providers use only a small percentage of their listed panelists for a majority of cases, this is a legitimate question that should be addressed by the review.

Under what circumstances (if any) should/could UDRP proceedings be anonymized?

We can think of no reason why the parties to the trademark disputes considered in UDRP proceedings should be granted anonymity. This is an alternative to litigation and, like judicial decisions, the parties and results should be of public record.

Should there be clearer policy guidance on a registrar's obligations if a case is stayed or suspended?

This is a legitimate question that should be addressed by the review.

Should the possibility of laches be recognized in UDRP proceedings; if so, how can this be expressly addressed?

We have already addressed this matter in our response to the second question.

Standard Mechanism for UDRP Providers

In addition to the above issues, the BC believes that any UDRP review should give serious priority consideration to developing a standard agreement to be entered into between ICANN and all accredited UDRP providers. This would be consistent with the concerns we have already expressed regarding lack of adequate consistency and predictability in UDRP decisions, and has been a long-standing BC position.

As we stated in our July 2011 comments on the Preliminary Issue Report on the Current State of the UDRP³:

"Recognizing that it is essential to maintain independence from third party dispute providers to preserve integrity, ICANN should develop standardized accreditation processes and agreements for all UDRP providers, eventually recognizing them as Contracted Parties. In this regard, the BC notes that in October 2010 it took a position regarding the accreditation of new UDRP providers that read in part:

The BC strongly advocates that ICANN must first implement a standard mechanism with any and all UDRP arbitration providers that defines and constrains their authority and powers, and establishes regular and standardized review by ICANN with flexible and effective means of enforcement. The ultimate sanction of cancelling accreditation is an extreme sanction that ICANN has demonstrated a reluctance to initiate in other contexts...

In the future, business interests may well be investing substantial amounts in...new gTLDs, for both defensive, new branding, and other purposes. In this type of environment it is even more important that all UDRP providers be subject to uniform and enforceable responsibilities, as that is the only means of furthering the goal that UDRP decisions are consistent within and among UDRP providers, and that the UDRP remains an expedited and lower cost remediation for addressing cybersquatting.

The BC notes that the issue of whether UDRP providers should be under a standard mechanism with ICANN is almost entirely separable from the question of whether the UDRP evaluation standards for determining the existence of cybersquatting should be reformed. There is no

³ 15-Jul-2011, BC comment on Preliminary GNSO Issue Report on the Current State of the UDRP, at http://www.bizconst.org/wp-content/uploads/2014/06/BC_on_UDRP_Issues_Report_July_2011.pdf

need to debate the substantive elements of the UDRP in order to address the fundamental issue of whether UDRP providers should be under a standard mechanism.

Scope of a UDRP PDP

The BC has taken note of the following language at pp.7-8 of the Report:

The second, subsequent phase of work would be a review of the UDRP, based on the concerns specific to its scope that were raised in the 2011 GNSO Issue Report and any additional relevant topics derived from the first phase of work concerning the RPMs developed for the New gTLD Program.

The BC does not agree with the opinion that the scope of a UDRP review should be limited to subjects raised in comments filed in 2011, as well as topics derived from the RPM review.

A sequential approach with the RPM review preceding the UDRP would mean that UDRP review would not commence until 2017 at the earliest. And the RPM review would necessarily be focused on those RPMs, and not on UDRP issues that have arisen or assumed greater significance since 2011.

Therefore, the BC believes that the scope of a PDP encompassing review and potential reform of the UDRP should be delineated based upon the WG Charter approved by the GNSO Council at the time of its consideration, and should be informed by the input of those the Councilors represent as well as others who submit public comments on a draft Charter at the time of its consideration.

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This comment was drafted by Philip Corwin, Mahmoud Lattouf, Chris Wilson, Jay Chapman, and Cecilia Smith.

It was approved in accordance with the BC charter.