

IRT Recommendations on RPMs in the new gTLDs: A Summary

How the IRT hopes ICANN will protect the rights of others in an
expanded domain name system

New gTLD Implementation Consultation, New York

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Implementation Recommendation Team

Agenda

1. The experiences of rights owners and other entities
2. IRT Mission and Modus Operandi
3. IRT Recommendations
 - IP Clearinghouse, Globally Protected Marks List, IP Claims
 - Uniform Rapid Suspension System
 - Post-Delegation Dispute Resolution Mechanism
 - Thick Whois
 - Expansion of test for string comparison during initial evaluation
4. Next steps



The Experience of Rights Owners

- “Domain abuse is a business with low overheads, no barriers to entry & few risks” (IRT Report)
- “The sale and broad expansion of new TLDs in the open market, if not properly managed, will provide abundant opportunities for cybersquatters to seize old ground in new domains” Francis Gurry, WIPO: 16 March 2009
- Registrar failure, termination and compliance problems



The Experience of Rights Owners

- Some ccTLD registries systemically abused
- Serial infringers falsify Whois details, hide behind Proxy Registration services, prosper from PPC
- Consumers confused and cheated
- Cybersquatters playing the system



Not just Rights Owners

- Consumers
 - transparency and accountability, new gTLD space safer for all
- New gTLD Registry operators
 - help operate effective, appropriate RPMs
 - prevent "bad actors"
 - improve consumer confidence, thus success
- Registrars
 - standardization, help remove uncertainty and risk
- ICANN
 - sensitive to calls from governments, business and consumer groups



The IRT

ICANN Board requests Intellectual Property Constituency to form Implementation Recommendation Team (IRT) March 2009.

“Comprised of an internationally diverse group of persons with knowledge, expertise and experience in the fields of trademark, consumer protection, or competition law, and the interplay of trademarks and the domain name system to ***develop and propose solutions to the overarching issue of trademark protection in connection with the introduction of new gTLDs.***”



The IRT Team

Caroline Chicoine, Fredrikson &
Byron, US (Chair)

1. Mette Andersen, Lego, DK
2. Jonathan Cohen, Shapiro Cohen,
CA
3. J Scott Evans, Yahoo!, US
4. Zahid Jamil, Jamil & Jamil, PK
5. Stacey King, Richemont, UK
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11. David Taylor, Lovells, FR

12. Kiyoshi Tsuru, Tsuru Morales, MX
(withdrew for personal reasons)

13. Fabricio Vayra, Time Warner, US

14. Mary Wong, Franklin Pierce, SG

15. Nick Wood, Com Laude, UK

Registry representative:

Jeff Neuman, Neustar, US

Registrar Representative:

Jon Nevett, Network Solutions, US

Plus 6 Ex Officio:

4 from IPC incl. President Steve
Metalitz & INTA's Claudio Di Gangi

All supported by ICANN staff

IRT Modus Operandi

The IRT tested every proposal against the following Checklist:

- What are the harms that are being addressed by the solution?
- Will the solution scale?
- Does it accommodate territorial variations in trademark rights?
- Does it conform to extent of actual legal rights?
- Does solution work in light of IDNs?
- To what extent can solution be gamed and abused?
- Is it the least burdensome solution?
- Is it technologically feasible?
- How will solution affect consumers and competition?
- What are the costs and who pays for them?



The problems...

Problem One

Cost and administrative burden to rights owners of reacting to Sunrise & other RPMs

Example:

- 500 new registries could require owner to have same trademark data validated 500 times
- Registrars could be required to develop 500 different processes

Solution One

IP Clearing House

- IP Clearing House supporting new gTLD registries
- Globally Protected Marks List (GPML)
- IP Claims
- Standardized Sunrise Eligibility Requirements

IP Clearinghouse

- Database with two principal functions
 - Central entity with which all new gTLD registries (and possibly registrars) will interact in relation to GPML, IP Claims, and URS
 - Information repository for specific information collection and data validation services
- Principal features
 - Data submitted by trademark owners (directly or through registry or registrar) for a fee. All data validated initially and annually
 - Trademark owners must grant non-exclusive, royalty-free, sublicenseable license to data to ICANN, which will grant sublicense to IP Clearinghouse; access to and use of data restricted
 - Must be outsourced entity (not currently in direct ICANN contractual relationship) under renewable 5-year contract awarded pursuant to open, competitive tender; equal access required.

IP Clearinghouse (cont'd)

- Principal features (cont'd)
 - Must be available 24/7, 365 days per year
 - Must be scalable (able to accommodate records of identical marks owned by different parties, and able to accommodate all types of registered marks, including those that contain or consist of non-Latin characters)
 - Must be able to deliver fast, accurate information in a standard format using secure, robust, and state-of-the-art technical platform.
 - Costs to trademark owners should be reasonable, and costs of including a trademark owner's entire portfolio should not be prohibitive



Globally Protected Marks List

- Recommended in recognition of numerous trademark owner comments on DAG that called for Reserved Names List or White List for trademarks
 - most frequently proposed solution
- **Strict Eligibility Requirements**
 - Ownership by the trademark owner of [number] of trademark registrations of national effect for the applied-for GPM that have issued in at least [number] countries across all 5 ICANN regions with minimum number of registrations in each region
 - All trademark registrations must have issued by the date that GPML applications are first accepted and must be based on trademark registration applications filed by November 1, 2008.
 - Second-level domain for GPM's principal online presence must be identical to GPM.

GPML Protections – Top Level

- Applied-for strings analyzed for confusing similarity against GPMs, in addition to existing TLDs, reserved names, and other applied-for strings.
- Applied-for strings that are identical matches or confusingly similar to GPM should fail Initial Evaluation and not proceed unless and until applicant participates in Initial Evaluation Reconsideration process and decision rendered in its favor.
- All applicants that fail Initial Evaluation based on finding of string confusion should have opportunity to request reconsideration.
 - request for reconsideration is opportunity to clarify – not substitute – information.
- To prevail on request for reconsideration, applicant must demonstrate either that applied-for TLD string is not sufficiently similar as to be likely, as a matter of probability and not mere possibility, to deceive or cause confusion or that it otherwise has legitimate rights to use the applied-for TLD.
 - will be bound by all representations and could subject applicant/Registry Operator to post-delegation dispute resolution mechanism.

GPML – Second Level

- Initial blocking of domain names that are an identical match to a GPM
- Applicant can register name if participate in dispute resolution process and demonstrate that its use of the applied-for domain name would not violate the trademark rights of the GPM owner
 - recommend application of standard from Paragraph 4(c) of UDRP --> demonstrate has right or legitimate interest

IP Claims Service

- Applies to all registered marks that are not GPMs
- Registry provides notices to:
 - Potential registrants of domain names that are identical matches to marks contained in IP Clearinghouse
 - Owners of marks contained in IP Clearinghouse that are identical matches to applied-for domain names
- Registrant can opt to proceed with registration after receiving notice if it makes certain representations and warranties and acknowledgements



Problem Two

Cybersquatting continues, consumers misled, UDRP & Courts take time and money

Examples:

cnnporn.com

facebook.ie (competitor)

pokemonl.com (pornography)

prada-baby.net (Child pornography)

Solution Two

Uniform Rapid Suspension System (URS)

Uniform Rapid Suspension System (“URS”)

- Overall purpose/process – address the substantial number of current UDRP cases that go unanswered – the “slam dunk” cases – with a faster and less expensive system, and provide a remedy that does not require acquisition of the domain name
- Neutral URS provider(s) appointed by ICANN
- Pre-registration of rights via IP Clearinghouse
- Upon initiation of process, domain name frozen to prohibit transfers (note – website still resolves)
- Examiners use a much higher burden of proof than the UDRP (“clear and convincing evidence that there is no contestable issue”) – “slam dunk” cases only!
- Upon decision by Examiner in favor of complainant, domain name “frozen” at the registry, the DNS record associated with the domain name is updated to re-direct web traffic to a website with a standard URS process page; domain names are NEVER transferred under a URS decision.

Uniform Rapid Suspension System (“URS”)

- Protections against misuses by complainant
 - URS can only result in takedown NOT transfer (no risk of reverse hijacking)
 - Notification required by email AND certified letter (fax being examined)
 - All complaints are reviewed by an examiner – even if the registrant does not answer
 - Complainants must agree to indemnify third parties based on the representations in the complaints
 - Complainants subject to one-year ban from system for filing three abusive complaints
 - Process includes rights of appeal, which requires unlocking of domain name pending disposition of appeal

Problem Three

Preventing Bad Actor Registry Operators

What to do with Registry operator who acts inconsistently with representations or has bad faith intent to profit from systemic cybersquatting.

- Example: .Apple, new gTLD for apple growers, begins to allow registrations for computers.apple, software.apple in breach of “charter”

Solution Three

Post-Delegation Dispute Resolution Mechanism at Top Level

Post-Delegation Dispute Resolution Mechanism

- Based on WIPO proposal to tackle breach of RPM, bad faith intent to profit from registration of infringing domain names
- IRT sought to limit to the possibility of systemic abuses by “bad actor” Registry Operators
- 3rd party submits a claim to ICANN
- If breach, various enforcement mechanisms include monetary sanctions, suspension or termination of contract
- If unresolved, third party can initiate Post Delegation Dispute
- Investigation by neutral third party

Post-Delegation Dispute Resolution Mechanism (cont.)

- Applicable Disputes
 - Manner of operation or use of a TLD is inconsistent with the representations in TLD app and such operation or use of the TLD is likely to cause confusion with the complainant's mark; or
 - Breach of rights protection mechanisms in its Agreement and such breach is likely to cause confusion with complainant's mark; or
 - Manner of operation or use of the TLD exhibits a bad faith intent to profit from the systemic registration of domain name registrations therein, which are identical or confusingly similar to the complainant's mark, that: (a) take unfair advantage reputation of the complainant's mark, or (b) impair reputation of complainant's mark, or (c) create impermissible likelihood of confusion with complainant's mark.

Post-Delegation Dispute Resolution Mechanism (cont.)

- Decisions
 - Panel can find for complainant or registry operator and provide a remedy
 - Balance: Concept of a complaint deemed as being “without merit” (i.e. an abuse of procedure to harass the registry operator)
 - Complainant barred from further filings if found w/o merit on 3 occasions
- Enforcement Tools
 - Panel recommends to ICANN:
 - Monetary Sanctions and Suspension pending cure
 - Group Liability: for serial misconduct by registries when affiliated with other registries and registrars
- Fees (model proposed for high amounts)
 - Balance: Penalty fee: Key here is meaningful amount to deter abusive claims, refunded to complainant if successful

Problem Four

No single source availability of data

Example:

.com

Some "bad actor" registrars do not keep up to date records

Solution Four

Thick WHOIS for all new gTLDs

Example

.biz

(with a suggestion that ICANN revitalises an initiative for a centralised Whois)

Problem Five

String comparison algorithm considers visual appearance only

- Example: .tel could block .hotel

Solution Five

Algorithm + aural and commercial impression

Use algorithm to identify strings for which similarity in sound and meaning should be considered

- Makes process more fair with more terms passing

Other Concerns of IRT:

Development of universal standards and practices for proxy domain name services

Applicants (incl. .brand registries) to be allowed to apply for more than one character string in an application –e.g. ASCII & Kanji, Arabic or Cyrillic

We know our work is neither perfect nor complete but hope that our recommendations are a step towards technically feasible, fair and affordable solutions applicable globally to allow new gTLDs to flourish.