

IPC Positions on 1B and 2 Issues on the GAC New gTLDs Scorecard

6.	Protection of Rights Owners and consumer protection issue		IPC Position
6.1.1	<p>1. Rights Protection: Trademark Clearing House (TC)</p> <p>The TC should be permitted to accept all types of intellectual property rights that are recognized under the national law of the country or countries under which the registry is organized or has its principal place of business. The only mandatory requirement for new registry operators will be to recognize national and supranational trademark registrations issued before June 26, 2008 and court-validated common law trademarks.</p>	<p>1B</p> <p>ICANN will update the Applicant Guidebook to permit the Trademark Clearinghouse to include intellectual property rights for marks in addition to registered trademarks and those protected by treaty or statute. Of those marks, registry operators will be required to recognize national, supranational and marks protected by treaty and statute as eligible for their sunrise and Trademark claims services (subject to proof of use as described below relating to sunrise services).</p> <p>The Clearinghouse must clearly note when entering the marks into the database, which marks are registered trademarks.</p> <p>The proposed date cut-off will not be utilized as discussed with the GAC.</p>	<p>The TC should be permitted to accept all types of intellectual property rights that are recognized under the national law of the country or countries under which the registry is organized or has its principal place of business. The inclusion of these additional types of intellectual property will allow registry operators to include in their rights protection mechanisms rights that are protected by national law (e.g., literary titles).</p> <p>The only mandatory requirement for new registry operators will be to recognize court-validated common law trademarks and national and supranational trademark registrations that issued on or before [the date of the Registry Agreement] and was applied for before [the date that ICANN publishes the list of applications received in the round]. However, registry operators may opt to respect other types of rights and the TC is the logical repository for such rights. Thus, there should be no concern by allowing the TC to accept broader-types of intellectual property rights.</p>

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6.1.2	Sunrise services and IP claims should both be mandatory for registry operators because they serve different functions with IP claims serving a useful notice function beyond the introductory phase.	2	The IRT and STI suggested an either/or approach. Please advise reasons for advocating both.	Both Trademark Claims and Sunrise services should be mandatory for registry operators to provide adequate trademark protections in the new gTLD space. Sunrise services should be mandatory because historically they have always served an essential function for brand owners to protect their valuable trademark rights at the second level during the launch of any new gTLD. The Trademark Claims process offers an alternative to unnecessary defensive registrations. In addition, one important benefit of the Trademark Claims process is that the potential registrant is required to acknowledge that it has received information about the claimed right and wishes to proceed with registration nonetheless.
6.1.3	IP claims services and sunrise services should go beyond exact matches to include exact match plus key terms associated with goods or services identified by the mark) e.g. “Kodakonlineshop”) and typographical variations identified by the rights holder.	2	ICANN recognizes that trademark holders have an interest in receiving notification in the event that strings are registered that include their mark and a key term associated with goods or services identified by the mark. This remains an area of discussion.	We recommend that a Trademark Claims notice issue to a potential registrant and the corresponding trademark owner with regard to any intended domain name containing the identical trademark in the domain name (e.g., onlineshopkodak.newgTLD or kodakshopping.newgTLD).

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6.1.4	All trademark registrations of national and supranational effect, regardless of whether examined on substantive or relative grounds, must be eligible to participate in the pre-launch sunrise mechanisms.	<p>1B</p> <p>All trademark registrations of national and supranational effect, regardless of whether examined on substantive or relative grounds, will be eligible for inclusion in the Trademark Clearinghouse and for the Sunrise/TM Claims service subject to the following.</p> <p>Registries that utilize a sunrise process must require submission of evidence of use of the mark by holders of all trademark registrations, regardless of the jurisdiction of registration.</p> <p>Use of the trademark may be demonstrated by providing a declaration from the trademark holder along with one specimen of current use. Further discussion should take place relating to proof of use.</p>	<p>No use requirement should be imposed. Requiring proof of use is inconsistent with the trademark laws of many countries that do not require use as a prerequisite to registration. The Clearinghouse should not be assessing the validity of trademark rights, potentially contrary to the laws of a particular country or jurisdiction. In addition, the level of expertise and costs required to meaningfully examine evidence of use by the Clearinghouse will be significant and beyond the scope of any existing potential service provider. If the evidence of use will not be subject to meaningful examination, there is no value in requiring it. Lastly, the requirement of use does little to stop the ability of a registrant to "game the system". In today's age, digital renderings of products and services can be easily and quickly created. Instead, the protections surrounding the "use requirement" that the Board seeks are delivered by requirements of sworn statements of use and the power to address fraudulent claims.</p>

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6.1.7.1	The TC should continue after the initial launch of each gTLD.	2	The Trademark Clearinghouse will be an ongoing operation. The Sunrise and TM Claims service will operate only at launch (in accordance with the recommendations of the IRT and the STI). Trademark holders will continue to be able to subscribe to "watch" services that will be able to utilize the Centralized Zone File Access system to be able to efficiently monitor registrations across multiple gTLDs.	Allowing trademark owners to subscribe to a "watch" service does not meet the other goal of the TM Claim process, namely, providing the potential registrant with notice of the claimed right and requiring that it/he/she acknowledge the claim of right before proceeding with a registration.
6.1.7.2	Rights holders, registries and registrars should all contribute to the cost of the TC because they all benefit from it.	1B	Rights holders will pay the Trademark Clearinghouse when the rights holders register their marks, and the registry will pay when administering its sunrise/trademark claims service.	Registrars will benefit from the cost savings and will use the TC (unless the Board is now taking the position that registries are not required to use registrars) and should help bear the cost.
6.2.4	<p>2. Rights Protection: Uniform Rapid Suspension (URS)</p> <p>Where the complaint is based upon a valid registration, the requirement that the jurisdiction of registration incorporate substantive examination (paras 1.2f (i) and 8.1a) should be removed.</p>	1B	<p>There is no requirement that any registration of a trademark must include substantive evaluation.</p> <p>Each trademark registration must be supported by evidence of use in order to be the basis of a URS complaint.</p> <p>Use of the trademark may be demonstrated by providing a declaration from the trademark holder along with one specimen of current use. Further discussion should take place relating to proof of use.</p>	See 6.1.4 regarding use

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6.2.5	If, as is expected in the majority of cases, there is no response from the registrant, the default should be in favour of the complainant and the website locked. The examination of possible defences in default cases according to para 8.4(2) would otherwise give an unjustified privilege to the non-cooperating defendant.	1B	An examiner will review the merits of each complaint to ensure that the standard is met, even in the event of a default. The examiner will not be required to imagine possible defenses – this provision will be removed from the Guidebook.	We support the Board position., The Complaint must be examined on the merits. The respondent’s default should allow an examiner to draw reasonable inferences of fact from Complainant’s allegations and deem them to be true. The examiner should not be required to imagine possible defenses or litigate the Respondent’s case in its absence
6.2.6	The standard of proof (para 8.2) should be lowered from “clear and convincing evidence” to a preponderance of evidence”.	2	The principle of the URS is that it should only apply to clear-cut cases of abuse. "Clear and convincing" is the burden of proof that was recommended by the IRT and endorsed by the STI.	We support the GAC position. The Board should not “pick and choose” what components of the IRT’s recommendations that it wishes to accept. If it wishes to rely on this standard of proof, it must reinstate the URS as developed by the IRT.
6.2.7	The “bad faith” requirement in paras 1.2f), 1.2g) and 8.1c) is not acceptable. Complainants will in only rare cases prevail in URS proceedings if the standards to be fulfilled by registrants are lax. Correspondingly, the factors listed in paras 5.7a) (“bona fide”) and b) “been commonly known by the domain name”) can hardly allow a domain name owner to prevail over the holders of colliding trademarks.	2	The standard applied for the URS is based on the UDRP standard. Both require a finding of bad faith.	We understand the GAC’s concern, but the URS is intended to incorporate the standard applied under the UDRP over the past ten years.

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6.2.8	A 'loser pays' mechanism should be added.	2	<p>A loser pays mechanism was investigated, but ultimately was not adopted. The UDRP does not have a loser-pays mechanism. It is unlikely that complainants would ever be able to effectively collect based on clear-cut cases of abuse, since the names in question will already have been suspended. Notwithstanding, ICANN will monitor URS procedures once launched to see whether a loser pays mechanism or some other methodology to reimburse mark holders is feasible.</p> <p>With respect to the suggestion that a loser pays mechanism be added to the URS, we would like to advise that there is some support for this recommendation because some brand owners believe it improves the proposed model by adding a means to deter infringement at the second level. As the URS is meant only for the most egregious examples of unlawful Internet conduct, it is appropriate to impose some sort of deterrent to those that engage in this illegal behavior.</p>

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6.2.9	Registrants who have lost five or more URS proceedings should be deemed to have waived the opportunity to respond to future URS complaints (this amendment corresponds to the “two strikes” provision which applies to rights holders).	2	Due process principles require that every registrant should always have the opportunity to present a defense.
6.2.10.1	However, there should be a clear rationale for appeal by the complainant.	2	The Board has asked the GAC to clarify if it intended to refer to "complainant" (as opposed to respondent) in this statement. Every appeal will be decided de novo, and therefore the appeal process does not require a separate evaluation of the rationale for filing the appeal.
			We support the GAC position.

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6.2.10.2	The time for filing an appeal in default cases must be reduced from 2 years to not more than 6 months.	2	The IRT originally suggested a URS without any appeal process. The STI suggested the inclusion of an appeal process (without any mention of a limitation on the ability to seek relief from a default). In response to comments, the Applicant Guidebook was revised to include a two-year limitation period on the opportunity to seek relief from a default.	We support the GAC position. The STI failed to take input from any UDRP provider (which would have the most experience with the costs and fees required to implement a similar mechanism). NAF has twice submitted comments that a 2-year appeal period will be virtually impossible to implement and will ensure that the URS is not faster and cheaper than the UDRP. Realistically, the number of good faith respondents that would appeal after 6 months and before 2 years is virtually nil.
6.2.11	The URS filing fee should be US\$200-US\$300 and minor administrative deficiencies should not result in dismissal of the URS complaint.	1B	ICANN will negotiate with URS service providers for the best prices and services. The fee range mentioned will be a target.	We support the GAC position.
6.2.13	The URS should go beyond 'exact' matches and should at least include exact + goods/other generic words e.g. "Kodakonlineshop".	2	As recommended by the IRT, the URS only applies to registrations that are identical or confusingly similar to protected marks as described in the Guidebook. As noted above, the URS is only intended to apply to clear-cut cases of abuse.	With respect to the URS needing to go beyond exact matches we believe there may be some misunderstanding between the current GAC and Board positions – which appear to already be in harmony. With regard to the URS needing to go beyond exact matches, the current AGB includes "confusingly similar" language that is broad enough to include exact match plus a keyword or typo-squatting that are established principles under the "confusingly similar" standard.

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6.3.1	<p>3. Rights Protection: Post-delegation Dispute Resolution Procedure (PDDRP)</p> <p>The standard of proof be changed from “clear and convincing evidence” to a “preponderance of evidence”.</p>	2	This was the standard developed by the IRT.
6.3.2	The second level registrations that form the underlying basis of a successful PDDRP complaint should be deleted.	2	The registrants are not parties to the proceedings, thus keeping a registrant from using the domain name or stripping the name from the registrant should be effected through an alternative proceeding, such as URS or UDRP. Note that to the extent registrants have been shown to be officers, directors, agents, employees, or entities under common control with a registry operator, then deletion of registrations may be a recommended remedy.
			<p>We support the GAC’s position. The Board should not “pick and choose” what components of the IRT’s recommendations that it wishes to accept. If it wishes to rely on this standard of proof, it must reinstate the PPDRP as drafted by the IRT. Instead, ICANN staff have effectively allowed the RySG to re-write the PPDRP and make it virtually impossible for a trademark owner to prevail. In fact, RySG representatives, the key proponent of the current PDDRP, has repeatedly and publicly stated that he wants to make the PDDRP so difficult for a trademark owner to prevail that trademark owners will, instead, go to court.</p> <p>To the extent registrants have been shown to be officers, directors, agents, employees, or entities under common control with a registry operator, deletion of registrations must be a remedy.</p>

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6.3.3	The requirement of “substantive examination” in para 9.2.1(i) should be deleted.	1B	<p>There is no requirement that any registration of a trademark must include substantive evaluation.</p> <p>Each trademark registration must be supported by evidence of use in order to be the basis of a PDDRP complaint.</p> <p>Use of the trademark may be demonstrated by providing a declaration from the trademark holder along with one specimen of current use. Further discussion should take place relating to proof of use.</p>	See 6.1.4 with regard to use requirement.
6.3.4	A new para 6.1 a) be added: “being identical to the complainant’s mark in relation to goods and services which are identical to those for which the complainant’s mark is registered. This would not apply if the registrant has a better right to the mark. In particular the registrant will in normal circumstances have a better right if the mark has been registered prior to the registration of the complainant’s mark.”	(?)	(Clarification from the GAC requested	[Response pending]
6.3.5	Regarding the second level (para 6.2), the registrant operator should be liable if he/she acts in bad faith or is grossly negligent in relation to the circumstances listed in para 6.a)-d).	2	Changing the standard from requiring "affirmative conduct" to “gross negligence” would effectively create a new policy imposing liability on registries based on actions of registrants.	[We support the GAC position as articulated in its answer to Board question no. 15.]

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6.3.6	The requirement in para 7.2.3 lit.d) that the complainant has to notify the registry operator at least 30 days prior to filing a complaint is burdensome and should be reduced to 10 days if not deleted entirely.	2	The current requirement is in place to provide the registry with a reasonable amount of time to investigate and take appropriate action if a trademark holder notifies the registry that there may be infringing names in the registry.	A registry operator does not require 30 days for an investigation. Instead, it seems more likely than not that registry operator will use the additional 20 days of the notice period to initiate pre-emptive litigation. Under US law, for example, the information required to be in the notice would be a sufficient basis for a registry operator to seek a declaratory judgment action.