

Trade mark protection in the proposed new gTLDs

A note on the draft output from ICANN's Implementation Recommendation Team

Introduction

ICANN is firmly committed to implementing its new top-level domain name (gTLD) program. However, there are four "Overarching Issues" that have been specifically identified by ICANN as needing to be dealt with as follows:

- ▶ Trade mark protection
- ▶ TLD demand and economic analysis
- ▶ Security and stability: root zone scaling
- ▶ Potential for malicious conduct

As directed by ICANN's Board in a recent resolution, the Intellectual Property Constituency of ICANN formed an Implementation Recommendation Team (IRT), to provide possible solutions to the trade mark protection issues raised by the proposed introduction of new gTLDs.

The IRT published its draft report on 24 April 2009. The final report will be published no later than 24 May 2009 for consideration at the ICANN meeting in Sydney later this year.

Summary of the draft recommendations

The initial report from the IRT makes draft recommendations for several proposed solutions to deal with the trade mark or rights protection issues thrown up by the proposed introduction of many new gTLDs. They can be summarised as follows:

- ▶ The introduction of an intellectual property clearinghouse and a globally protected marks list as well as the associated rights protection
- ▶ The introduction of a standardised pre-launch rights protection mechanisms
- ▶ The introduction of a Uniform Rapid Suspension System (URS)
- ▶ The introduction of post delegation dispute resolution mechanisms at the top level
- ▶ The introduction of specific WHOIS requirements for new TLDs
- ▶ The use of algorithm in string confusion review during initial evaluation

While the above approach may appear comprehensive, the IRT themselves acknowledge that even if all of the above proposed solutions or approaches are taken together, they do not represent a panacea to the problem of trade mark protection in the new gTLDs. It is clear that the approach taken thus far by the IRT has the potential to make significant steps forward; trade mark protection in the domain name area will remain an ongoing challenge for brand owners.

Additional detail on the draft recommendations

The IP Clearinghouse

The IP Clearinghouse is proposed to be a registry of both registered and unregistered rights, operated by a neutral third party under contract with ICANN. It will accommodate more than one record per term, recognising the territorial nature

of trade mark law and international classification systems. It is intended that a representative of a rights owner will pay a fee and submit data to the IP Clearinghouse. This data will be validated initially and every year thereafter to ensure accuracy. Validated data can then be pushed by the IP Clearinghouse to new gTLD registry operators or pulled by registries or registrars to support a variety of applications including the cost-effective participation in the initial phase of registration (sunrise period) for a new registry.

The Globally Protected Marks List

An application supported by the IP Clearinghouse which will permit the blocking of applications for terms at either or both of the top or second-level in the new gTLDs. The GPML is intended to address the requirement of trade mark owners to create a "Reserved Names List" or "White List" according to well-defined conditions. Essentially a famous marks list providing greater protection than that afforded to marks which do not qualify for inclusion. Inclusion will necessitate meeting a set of strict criteria.

The Uniform Rapid Suspension System

The URSS will provide a low-cost and rapid means for taking down infringing domain name registrations, yet preserving a registrant's right to a hearing and/or appeal. In addition, the URSS will not result in the transfer or cancellation of a domain name registration. The purpose of the URSS is to address the cybersquatting problem for brand owners that is already enormous and which is likely to spiral out of control with the introduction of an unlimited number of new gTLDs, unless addressed. It does not replace other current options available, such as the UDRP or other litigation options. Rather, it is intended to address the hole not filled by current available remedies.

The post delegation dispute resolution mechanisms at the top level

The IRT reviewed a proposal from WIPO entitled "Post-Delegation Procedure for New gTLD Registries Substantive Criteria and Remedies" and following discussions with the authors, the IRT believes that a Post-Delegation Dispute Mechanism may be workable. Essentially this is a method by which third parties can protest about the manner of operation of a registry once it is up and running. It deals with the potential for a registry operator to operate a TLD in a manner which infringes a third party's rights or is inconsistent with the specific rights protection mechanisms enumerated in the Registry Operator's Agreement with ICANN.

The introduction of specific WHOIS requirements

The IRT believes that the provision of WHOIS information at the registry-level under the Thick WHOIS model is essential to the cost-effective protection of consumers and intellectual property owners. For this reason, the IRT has recommended that ICANN amend the proposed Registry Agreement to include an obligation that all registry operators for new gTLDs must provide registry-level WHOIS under the Thick WHOIS model currently in place in the .info and .biz registries. A thick WHOIS model is one where the WHOIS data is held by the registry. A thin WHOIS model is one where the WHOIS data is held by the registrar and therefore not available in a consolidated form. In the thin WHOIS model, the registry only holds very limited data on the domains.

The use of algorithm in string confusion review during initial evaluation

The IRT has recommended expanding the analysis applied to the character strings for new gTLDs to also include consideration of the aural and commercial impression (meaning) created by the string, believing that this would assist in passing more applications through the system. Therefore, the IRT has recommended that the algorithm currently proposed to be used by ICANN only be used to identify those strings that require the application of further analysis. Given that legacy registries (gTLD, sTLD and ccTLD) and trade mark owners will have the opportunity to object at a later point in the application process, it is felt by the IRT that a simple expansion of the test for string comparison during initial evaluation will not prejudice any third parties and will assist in eliminating any false positives caused by a simple visual comparison of strings.

Additional areas for consideration

In addition to the draft recommendations, the IRT identified a number of other proposals that require further consideration in future; although at this stage, it is not clear by whom.

The areas for further consideration are as follows:

- ▶ Applicants should be permitted to apply for more than one string in an application, (e.g. .BRAND in ASCII, Korean, Kanji, Arabic etc.). If the other strings are IDN/ASCII equivalents of the base application then ICANN should only charge the additional cost recovery fees associated with the string evaluation and not a separate \$186,000 application fee for each string.
- ▶ Community based and corporate branded or single registrant TLDs need to have the same authority that sponsored TLDs have currently in selecting which registrars access their registry.
- ▶ The creation of a special status in the application process for corporate or ".brand" type TLDs.
- ▶ Shifting of costs and fees of any unsuccessful application to the applicant with reasonable penalties.
- ▶ Phased implementation; such that not all new gTLDs go live within a very short space of one another.
- ▶ Development of universal standards and practices for proxy domain name registration services.
- ▶ Registrant verification procedures.
- ▶ The holder of a second level domain name in existing gTLDs should have priority in respect of IDN equivalent.
- ▶ Fast-track UDRP resolution and reduction or shifting of the cost associated with the UDRP.
- ▶ Auctions; the provision of a portal or landing page for multiple TLDS with same string.
- ▶ The enforcement of TLD charters and the eligibility for dispute resolution.

Further information

This full preliminary report from the ICANN IRT is available on the ICANN website from the following link:

<http://www.icann.org/en/topics/new-gtlds/irt-draft-report-trademark-protection-24apr09-en.pdf>

It has been posted for a thirty (30) day comment period that closes on 24 May 2009.

NetNames will certainly provide feedback and comment to the IRT and we encourage our customers to give us their feedback in order that we are best qualified to give it to ICANN. Of course, there is nothing to stop NetNames customers giving feedback direct to ICANN. However, please note the tight timescales detailed below.

The IRT intends to submit its final report to ICANN by 24 May 2009 as requested by the ICANN Board.

Therefore, those wishing to have the IRT consider their comments in connection with its final report need to submit their comments by 6 May 2009.