

Re: WIPO Arbitration and Mediation Center observations in connection with GAC
scorecard on rights protection and corresponding ICANN Board questions

March 9, 2011

WIPO Center general perspective:

- The WIPO Arbitration and Mediation Center operates on a non-profit basis to help operate balanced IP systems under its institutional mandate. In the context of the DNS, some examples of the WIPO Center's public commitment are its globally accessible Uniform Domain Name Dispute Resolution Policy (UDRP) Legal Index and the Overview of UDRP Panel precedent available for all parties at no charge, its UDRP Panelists Meetings, UDRP workshops, and WIPO's ccTLD Program.
- The points made in this document are intended as a constructive contribution to informed discussion ongoing within the ICANN community, including between the GAC and ICANN Board in the lead-up to and during the March 2011 San Francisco Meeting, concerning selected aspects of trademark protection in the context of ICANN's New gTLD Program.
- Fundamentally, the WIPO Center believes that any Rights Protection Mechanism (RPM) must be workable; where RPMs operate to the benefit of rights holders, registrants, and registration authorities, all of these are able to stay out of court, and losing parties avoid associated monetary consequences.
- Beginning with the UDRP, WIPO has a history of policy design and drafting for a functional DNS; a recent example is the DAG-incorporated Pre-Delegation Existing Legal Rights Objection mechanism.

/...

- The WIPO Center's New gTLD-related positions are extensively on public record with ICANN, especially since early 2009, see, e.g., www.wipo.int/amc/en/domains/resources/icann/.
- Set out below are the WIPO Center's observations in relation to selected points resulting from recent GAC/ICANN Board interactions; WIPO drafting assistance remains available in constructive contexts.

1. Trademark Clearinghouse:

- Any expansion of the scope of Clearinghouse data makes it incumbent on ICANN to ensure adequate safeguards both in terms of any Clearinghouse operator(s) and also as to uses of data held.
- The Clearinghouse was not intended to rival Google; consideration should be given to the rationale behind last-minute “mushrooming” of Clearinghouse uses; many of the data sources are readily available; any expansion should unequivocally avoid operating to the detriment of those (e.g., SMEs and individuals) who are unaware of, or should not be expected to use the Clearinghouse.
- The broader the scope of data captured in the Clearinghouse (as now proposed, or via any future expansion), the greater the possibility for costly complexities arising in its operation.
- For background, the Second WIPO Internet Domain Name Process discussed some such identifiers: see, e.g., www.wipo.int/amc/en/processes/sct/decision/index.html.
- If Clearinghouse participants must show relevant use, it is difficult to understand the justification for excluding the potentially substantial numbers of new bona fide trademarks being registered since this (or any other) [e.g., 3 year] ICANN-imposed “cut-off” date.
- Concerns about “gaming” could be addressed by some form of challenge mechanism following on either an attestation as to use, or on an actual (but not unnecessarily burdensome) showing of use.

Sunrise and Trademark Claims Services

- A position advocating the availability of both Sunrise and Trademark Claims services (the latter also extending post-launch) in particular could help reduce the need for trademark owners to obtain defensive registrations.
- In terms of any “mark + plus” schemes, appropriate consideration would need to be given to balancing reasonable implementation limits (e.g., to terms associated with trademark registration classes) with the practical benefits to users, in particular with a view to Sunrises and Trademark Claims that may or may not operate on identity.

/...

Paying for the Clearinghouse

- Regardless of the final language of the PDDRP, the WIPO Center continues to believe that it is appropriate to provide for the availability of such a mechanism to address the conduct of “registration authorities”, which would include registrars. (See further points on the PDDRP below.)

2. Uniform Rapid Suspension (URS):

- The desire for aggressive timelines and fees comes with process, and therefore substantive, consequences. For example, a practical issue left unaddressed – or at best ambiguous – in the discussions includes due-process implications stemming from proposed Whois-only based notification (aside from out-of-date, or deliberately inaccurate registrant information, some 25% of registrations today are estimated to be under some form of privacy or proxy registration). Other examples of the process trade-off include translation requirements, panel conflict checks, compliance reviews, open-ended notification requirements, and potentially incommunicative registries. It will prove at best impractical to seek to automate certain procedural (and by implication substantive) aspects of the URS without either adjusting the language of the policy, or at least allowing for sufficient flexibility.
- The intent behind the URS was always to be for *prima facie* obvious, often undefended cases for which even the UDRP can now be seen as “too heavy”. Except if deliberately designed as such (with attendant consequences in terms of process and criteria), the URS should avoid operating as a UDRP substitute. (The WIPO Center was among the first to [propose](#) a lighter cost and time efficient complementary mechanism, but such an abbreviated mechanism must strike a proper balance.)
- Cost and time efficiencies can much more effectively, and still fairly (with proper notification and subject to appeal), be achieved through a default-based mechanism without examiner appointment, except in the event of a (basically motivated) appeal. The wisdom of such a default/appeal-based structure is also suggested by the cursory nature of any examiner investment that can realistically be expected within the contemplated time and fees.
- Clarification is needed from ICANN on what “certification” criteria would be employed (and by whom) to ensure that “examiners” are appropriately grounded in trademark law and practice, with furthermore an understanding of due process.
- A provider’s proven track record in training external experts in relevant jurisprudence should be considered; given the relationship between the URS and the UDRP, relevant experience may realistically need to cover the UDRP as well; willful blindness to questionable (publicly-available) provider track records may do great harm to this and other RPMs.
- Clarification is needed from ICANN on whether “examiners” should be external from a provider, or whether they could be internal (the latter could *inter alia* raise fundamental questions regarding independence and impartiality).

/...

- Loser pays: if a loser-pays model would truly act as a deterrent, it could serve an interesting function. The WIPO Center's concern lies with a loser-pays model where such preventive effect would not materialize. First, courts might find this monetary remedy disproportionate to the mandatory and abbreviated process. Second, questionable registrant identities would likely make enforcement elusive in many instances.
- Barring abusive complainants: questions of provider practicalities aside, issues concerning complainant identities used and rights invoked might thwart any meaningful attempt to prevent the gaming of such conditions.

Legal Criteria

- A credible URS requires appropriate legal criteria; claims must have substantive foundations.
- Severing the bad-faith standard from the URS would break a link with the past of the UDRP, with its tens of thousands of decisions overall predictably describing the boundaries of cybersquatting, as well as with the future of the UDRP in relation to the URS. The bad-faith scenarios are non-exclusive in any event.
- Whether or not the URS would operate (as the WIPO Center advocates) on a default basis, it should be incumbent on a defending registrant to establish its rights or interests; a mere "tick-box" assertion should not suffice to satisfy the substantive norm.

Appeals

- The perceived need for an appeals process calls into question the need for substantive determination by an examiner in a "first round"; in any event, for an appeal to add value in this context, it should not be a second (or indeed third) bite at the apple, but should instead offer a closer look by a neutral on an appropriately corresponding standard.
- ICANN should clarify that the legal criteria in terms of rights or legitimate interests and bad faith (which must be distinguished from process standards as such) should be the same for appeals as under the primary URS policy itself.
- An appeal period of up to two years is not only highly excessive in itself, but especially in the context of DNS realities; it furthermore raises questions about business' ability to invest in websites related to recovered domain names with such process "hanging over their heads".

3. Post Delegation Dispute Resolution (PDDRP):

- ICANN's remarkably strong resolve to limit the scope of the Post-Delegation mechanism (PDDRP) remains the "elephant in the room" on this type of RPM; it is disconcerting that registration interests refuse to apply a self-created contractual opportunity for the New gTLD Program to their future behavior vis-à-vis abusive third-party registrations from which such interests stand to benefit in fees; arguments heard about "creating new law" are a red herring that should not divert attention away from responsible self-regulation.

- On top of the redundant procedural layers ICANN has chosen to add to the PDDRP, the proposed limitation in legal scope will effectively neuter its intended effect in the face of abuse certain to continue in the DNS landscape; ICANN protestations to the contrary, its adaptations also ignore the submitted comments from many global trademark representative organizations (see, e.g., www.wipo.int/export/sites/www/amc/en/docs/icann210710.pdf).
- The PDDRP is not about liability for registrant actions, but is about providing means for trademark owners (at a time when they are asked to buy into a massive expansion of the DNS) to address systemic documented infringement at the source, without unrealistically having to turn to repetitive, time-consuming and costly lower-level mechanisms; failure of registration authorities to confront this issue may in time force rights holders to consider court options.

We are posting a copy of these observations on the WIPO website for public information at <http://www.wipo.int/amc/en/domains/resources/icann/>.

Yours sincerely,



Erik Wilbers
Director
WIPO Arbitration and Mediation Center