

PROTECTION OF RIGHTS

GAC responses to the questions raised by the ICANN Board in Brussels on 28 February

i. Trademark Clearinghouse (TC)

GAC Proposal

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.

New amendment to GAC proposal following Brussels discussion of this issue:

Delete:

“The only.....before June 26, 2008.....common law trademarks”

Substitute:

All marks, regardless of the date of registration, would be eligible for the TC. In that way, everyone would get notice of a potentially problematic registration. Regarding the sunrise mechanism, only the following marks would be eligible:

a) those marks for which use can be demonstrated as of the date of the sunrise application; and b) which were registered at least one year prior to the date on which the registry operator signed the agreement with ICANN.

Board Question No. 1: What does the GAC mean by “all types of intellectual property rights?”

GAC answer:

The GAC have specified that the only mandatory requirement for new registry operators is to recognise trade marks and this should continue to be the primary focus of the TC. However, the TC should be permitted on a voluntary basis to accept all types of exclusive intellectual property rights that are protected or recognized under the national law of the country or countries under which the registry is organized or has its principal place of business.

Additional comment:

The GAC believes it would be beneficial to expand the TC as a cost effective, one stop database for the convenience of all parties, if it were expanded in the future to include other types of intellectual property in addition to the mandated requirement to include registered trademarks. This would obviate the necessity to develop separate mechanisms for these types of intellectual property.

Furthermore, in the expectation that ICANN will receive a significant number of applications for gTLDs that are focussed on a city or a region, if local rights are not recognized, many local businesses and organizations may be excluded from rights protection processes organized by the operators of city or regional TLDs that are specifically focussed on these local actors. If ICANN supports local initiatives like “.berlin” and “.paris”, they also need to recognize the fact that local rights holders in these cities may benefit from a specific RPM that supports their activities. The RPMs must therefore go beyond the requirement of having a registered or unregistered trademark and in this way also support rights that are protected in the country in which they are claimed.

GAC proposal

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.

Board Question No. 2: What is the GAC’s rationale for mandating both sunrise and claims services?

GAC answer:

The two systems serve complementary (not alternative) purposes with distinct benefits. As currently devised in the Guidebook, sunrise periods will allow IP owners to secure an early second-level registration before launch to the public in only those registries that offer Sunrise. An IP Claims Service serves a) to put all potential 2nd level registrants on notice to prior claimed rights found in the TC; and b) requires the potential registrant to affirm notice of the claimed prior rights and to acknowledge non-infringing intent.

Additional Comment:

By using an IP Claims service a trademark owner would have the option not to register defensively which would incur costs for no direct benefit. The reality is that an IP owner may not choose to use a sunrise mechanism in all new TLDs while an IP Claims mechanism makes the most efficient use of the TC by allowing the data to be used in the widest possible manner.

For example, a trade mark owner dealing in protective clothing might wish to register “Carvella” defensively in a particular gTLD such as “.newyork” but may wish just to be notified of any similar domain registrations in other gTLDs to create for example “carvella.fashion” or “carvella.shops” in order to decide whether apparent use of a closely similar mark is likely to be problematic.

Board Question No. 3: What does the GAC mean by “they serve different functions with IP claims serving a useful notice function beyond the mandatory phase.”

GAC answer:

Infringement of rights occurs most often after the end of the sunrise period. Provision of an IP Claims service after the initial launch of a TLD for as long as the registry operator is active and second level domains are being made available assists business in continuing to eliminate potential innocent infringing second-level registrations. This in turn saves rights owners from potential additional costs and generally reduces the overall burden on the business community.

Additional comment:

While sunrise claims are useful in the introductory phase as a means of allowing a company to register its own trade mark as a domain name, the IP Claims service serves a different function in that it enables both the domain name registrant and the trade mark owner to be aware of the existence of each other’s claims and to make informed choices about the actions they take. In this way it serves to enhance communication to the benefit of both parties and will assist innocent potential registrants by providing valuable information that they may not know how to find otherwise.

GAC proposal

The IP claims service should notify the potential domain name registrant of the rights holder’s claim and also notify the rights holder of the registrant’s application for the domain name.

Board Question No. 4: If the potential registrant and the trademark holder are notified at the same time, what does the GAC intend to happen after notification to the trademark holder?

GAC answer:

The GAC recognizes that - apart from possible notice to a potential registrant prior to registration followed by that registrant’s representation of non-infringement - an IP Claims service may additionally serve as a notice or warning system to ensure the trademark owner is aware of the fact that a domain name will be registered that is potentially infringing his/her rights. No other ensuing action is caused by the notification. However, notification to the trademark owner would allow review of that registration and create the opportunity for a rapid settlement of any infringement early in the process.

Additional comment:

It is not contemplated that notification would be simultaneous because a rights holder would only receive notification after the potential registrant had indicated that it wished to proceed to registration despite being alerted to a claimed prior right.

Notification to the trademark owner will not prevent the potential registrant from continuing with the registration process, unless the potential registrant chose to do so.

GAC Proposal

The TC should continue after the initial launch of each gTLD.

Board Question No. 5: Does the GAC mean that the registries must continue to access the Clearinghouse after launch and provide notifications for every registration made that involves a name in the Clearinghouse?

GAC answer:

Yes. The GAC believes that this is a function that should be performed by the TC.

Additional comment:

Registries need in any case to provide access to their zone files. If a copy of their zone file is provided to the TC, the registries need not be involved further in this process: the TC can proceed to handle notifications to the rights holders.

GAC proposal

Rights holders, registries and registrars should all contribute to the cost of the TC because they all benefit from it.

Board Question No. 6: Why has the GAC included registrars as an entity that would pay for the Clearinghouse?

GAC Answer:

The primary function of the TC is to simplify registrations. Registrars and registries benefit from this simplified process because they all avoid additional costs. This in turn reduces costs and the potential liability for registrars, and leads to increased registrations.

Additional comment:

In general, costs of the TC should be held at a minimum and be subject to regular review.

ii. Uniform Rapid Suspension (URS)

GAC Proposal

Decisions should be taken by a suitably qualified ‘Examiner’ and not require panel appointments.

Board Question No 7: What does the GAC see as a difference? (Current plan is to have just one Examiner).

GAC Answer:

Agree that the Guidebook proposes an Examiner (singular) though it is noted that at the appeal stage there is reference to a “panel”. However, the GAC’s primary concern is about raising the level of the qualification of the Examiner. The GAC proposes that Para. 7.2 should be revised to include an additional requirement of a “*demonstrable background and expertise in trademark law and related concepts.*” Clarification is needed on the criteria to be applied certification

Additional comment:

The URS is intended to provide an effective and cost efficient course to address clear cut cases and therefore requires a high level of understanding of trademark law. However, para.7.2 of the Guidebook states that “*Examiners should have legal background and shall be trained and certified in URS proceedings*” which the GAC believes is insufficient and could lead to additional problems for right holders and registrants if the Examiner is inexperienced in trademark law and practice.

GAC proposal

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 defenses in default cases according to para 8.4(2) would otherwise give an unjustified privilege to the non-cooperating defendant.

Board Question No. 8: Is the GAC advising that, when no response is filed, there be no Examination of a complaint? Or it is just advising that the reference to possible defenses be omitted?

GAC Answer:

The GAC advises that references to possible defences should be omitted. Para. 8.4(2) should therefore be removed because it implies that the Examiner should look for a defence on behalf of a respondent who fails to reply.

Additional comment:

Para. 8.4 currently reads: “If the Examiner finds that the Complainant has not met its burden, or that genuine issues of material fact remain in regards to any of the elements, the Examiner will reject the Complaint under the relief available under the URS. That is, the Complaint shall be dismissed if the Examiner finds that: . . . (2) under the circumstances, and no Response was submitted, a defense would have been possible to show that the use of the domain name in question is a non-infringing use or fair use of the trademark.”

The GAC is advising that the Guidebook be amended by deleting 8.4 (2) because the Examiner should not be placed in the position of having to anticipate all potential defences where none was presented. However, the Examiner should still evaluate the complaint on its merits. The complainant must still meet his/her burden.

GAC Proposal

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.

Board Question No. 9: Is the GAC advising that the requirement of bad faith by the registrant be omitted?

[Answer to follow following further discussion amongst GAC representatives].

Board Question No. 10: Is the GAC advising that sections 5.7(a) and 5.7(b) of the Clearinghouse proposal in the Proposed Final Applicant Guidebook be omitted in their entirety?

GAC Answer:

No.

Additional comment:

The GAC believes that registrants invoking either provision need to show a minimum level of evidence supporting a bona fide intent as required in the UDRP. For example, registrants cannot meet their burden with a simple statement of intent to use in a response with no supporting evidence.

GAC Proposal

(T)here should be a clear rationale for appeal by the complainant. The time for filing an appeal in default cases must be reduced from 2 years to not more than 6 months. In addition, the examination of possible defences in default cases according to para 8.4(2) means an unjustified privilege of the non-cooperating defendant.

Board Question No.11: What does the GAC mean by a “clear rationale”?

GAC Answer:

This is an issue of securing with absolute clarity the criteria for an appeal, i.e. the registrant must demonstrate that it is acting in compliance with the requirement of not infringing the rights of others. Similar to the clarification with regard to 5.7(a) and 5.7(b), an appellant must demonstrate a clear basis for objecting to the decision.

Additional comment:

The GAC questions the Guidebook’s reference to “de novo” (i.e. from the beginning) which suggests that all previous arguments are ignored even though this is an appeal of a previous decision.

Board Question No. 12: Did the GAC intend to only reference the Complainant?

GAC Answer:

No. The need for setting forth a clear basis for objecting to the prior decision should apply equally to both parties.

Board Question No. 13: Is the GAC advising that the time to seek relief from default should be reduced from two (2) years to six (6) months?

GAC Answer:

Yes. The time for filing an appeal in default cases must be reduced from 2 years to at most 6 months

Additional comment:

A period of 6 months is considered more than adequate; it is much longer than the period allowed by many national IP offices in relation to comparable decisions in trade mark disputes. Any longer period merely serves to increase uncertainty for the business community.

GAC proposal

The URS filing fee should be US\$200-US\$300 and minor administrative deficiencies should not result in dismissal of the URS complaint.

Board Question No. 14: How does this stated fee differ from the Guidebook, which suggests \$300.00?

GAC Answer:

The GAC proposal serves to underline that the URS must be low cost, without any inference that might be derived from use of the word “suggests” that the provider could set a much higher fee.

iii. Post Delegation Dispute Resolution (PDDRP)

GAC Proposal

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).

Board Question No. 15: Is the GAC advising that “bad faith or gross misconduct” replace “affirmative conduct” in the following portion of 6.2: “Complainants are required to prove, by clear and convincing evidence that, through the registry operator’s affirmative conduct . . .”?

GAC Answer:

No. The GAC is recommending that the term “affirmative” be deleted from this section because there is the risk that this would allow a registry operator to circumnavigate liability when the registry operator refuses to enforce its own policies.

9/3/11