

---

## Rights Protection Mechanisms

### Session # 7 - Rights Protection Mechanisms

---

#### Contents

Background	2
Issues	2
Leadership Proposal for GAC Action during ICANN70	4
Relevant Developments	4
Current Positions	5
Key Reference Documents	5
Further Information	5

#### Session Objective

The GAC will discuss the Final Report on Phase 1 of the Review of All RPMs in all gTLDs PDP, with a separate specific focus on issues related to DNS Abuse. Furthermore, GAC membership will focus on upcoming next steps in preparation for Phase 2 of the RPM PDP which is set to review the UDRP.

## Background

The question of who legally has rights to, or is the legitimate holder of, a domain name can be a matter of dispute. Finding effective and enforceable processes to resolve such disputes across jurisdictions has been one key Internet policy challenge.

Since the creation of ICANN, the ICANN Community has developed several policies and procedures to address various types of second level domain name disputes. The longest standing such procedure, for disputes related to Trademarks, is known as the [Uniform Dispute Resolution Policy \(UDRP\)](#) and following the recommendations of WIPO was adopted in 1999 as an ICANN Consensus Policy binding on all gTLD registry operators and ICANN-accredited registrars.

More recently, as part of the 2012 [New gTLD Program](#), several new rights protection mechanisms (RPMs) were developed to mitigate potential risks and costs to trademark rights holders that could arise in the expansion of the gTLD namespace, and to help create efficiencies for registration service providers among gTLD launches:

1. [The Uniform Rapid Suspension \(URS\) System](#),
2. [The Trademark Clearinghouse \(TMCH\)](#) and its associated Sunrise Registration Periods and the Trademark Claims Service, and
3. [The Trademark Post-Delegation Dispute Resolution Procedures \(TM-PDDRP\)](#).

The GNSO Council initiated a [Policy Development Process for the Review of All Rights Protection Mechanisms in all gTLDs \(RPM PDP\)](#) on 18 February 2016. The PDP Working Group was chartered to conduct the work in two phases:

1. Phase 1 (now complete) focused on reviewing all RPMs applicable to gTLDs launched under the 2012 New gTLD Program (i.e., Nos. 1-3 listed above), and
2. Phase 2 (that has yet to start) will focus on reviewing the UDRP which applies to all gTLDs and many country code Top Level Domains (ccTLDs), some with tailored variations.

These RPMs will apply also to future rounds of new gTLDs. The review was therefore expected to determine whether those Phase 1 RPMs should continue for future rounds of new gTLDs, and if so, whether any changes, improvements, and/or enhancements need to be made to fulfill the intended objectives of these RPMs, namely “to provide trademark holders with either preventive or curative protections against cybersquatting and other abusive uses of their legally-recognized trademarks?” The review was also tasked with determining whether any of the Phase 1 RPMs should become Consensus Policies applicable to all gTLDs (and if so how such transition would be managed).

## Issues

As e.g., highlighted by the GAC in contributions to the development of the Rights Protection Mechanisms (RPMs) of the New gTLD Program, and in particular the [GAC Comments on the Applicant Guidebook](#) (26 May 2011), **overarching concerns** included:

- *“Mitigating the negative impact on the business community arising from the potential substantial and rapid escalation in the incidence of cybersquatting due to the scaling up of the number of gTLDs”*
- The need to *“maximize the level of rights protection afforded to businesses big and small”* and ensure *“the burden for business stakeholders [...] is minimized”* when using these mechanisms.

In order to advise ICANN on these matters, the GAC formulated proposals with the assistance of national policy experts and drawing on national consultations with relevant stakeholders. Key proposals and advice **with respect to the Trademark Clearinghouse (TMCH)** were that:

- *“There should be no requirement to provide evidence of use for eligibility to be included in the Clearinghouse which would conflict with many national IP legal frameworks.”*
  - Practically, to provide a level playing field for all trademarks in all jurisdictions, proof of use was required for all TMCH entries in order for brand owners to participate in Sunrise programs, but not for Claims Notices to registrants.
- In order to monitor the effectiveness of these RPMs, the GAC advised the ICANN Board to conduct a comprehensive post-launch independent review of the TMCH, one year after the launch of the 75th new gTLD in the round, to examine whether changes would be needed as well as whether any unforeseen questions and issues may have arisen from the launch of New gTLDs. This [review was undertaken](#) in 2016, in early stages of the Phase 1 RPM PDP WG work and served as input to subsequent deliberations.

**Regarding the upcoming review of the UDRP** as part of Phase 2 of the RPM PDP WG:

- In the [ICANN51 Los Angeles GAC Communique](#) the GAC stated *“in implementing any such curative [IGO RPM] mechanism, that the UDRP should not be amended”*
- In a [Letter to GNSO Council Regarding UDRP PDP Issues Report](#) (14 September 2011) the GAC stated that it *“considers that any review of the UDRP should be conducted in light of community experience with the new gTLD RPMs, and should take full account of ccTLDs’ use of the UDRP. While the GAC is not opposed in principle to a review of the UDRP at an appropriate time, the GAC considers that a review at this time would not be appropriate.”*

In the context of this upcoming UDRP-related work, it should be noted that [ICANN’s Bylaws](#) provide:

- 1.2 (a)(iv) *“promote well-informed decisions based on expert advice”*
- 1.2 (b)(i) *“To the extent feasible and appropriate, delegating coordination functions to or recognizing the policy role of, other responsible entities that reflect the interests of affected parties and the roles of bodies internal to ICANN and relevant external expert bodies”*
- 13.1 (a) *“The purpose of seeking external expert advice is to allow the policy-development process within ICANN to take advantage of existing expertise that resides in the public or*

*private sector but outside of ICANN. In those cases where there are relevant public bodies with expertise, or where access to private expertise could be helpful, the Board and constituent bodies should be encouraged to seek advice from such expert bodies or individuals.”*

- 13.1 (b)(ii) *“In addition, in accordance with Section 13.1(c), the Board may refer issues of public policy pertinent to matters within ICANN's Mission to a multinational governmental or treaty organization.”*

In the face of the risk of *“the loudest voice to influence changes in UDRP policy or procedure which could have far-reaching consequences for ICANN, its contracted parties, and indeed for rights owners and the consumers who depend upon the enforcement of these rights”*, a [contribution](#) by MARQUES (1 February 2019), the European Association of Trade Mark Owners suggested that ICANN:

- *“convenes a small group of experts to gather evidence and information from interested parties including ICANN's Contracted Parties and organizations representing both trademark interests and registrant interests” to “identify any priority issues and possible solutions for the current RPM Working Group to take forward”*
- *“Request the World Intellectual Property Organization as the global leader, which was commissioned in 1998 to develop a solution which became the UDRP, to select and chair this independent expert group” and to “provide the data-based expertise called for under ICANN's Bylaws”*

## **Leadership Proposal for GAC Action during ICANN70**

1. Review and discuss the Phase 1 Final Report on the Review of All Rights Protection Mechanisms in All gTLDs PDP, published on 24 November 2020, including the connections with DNS Abuse discussions.
  - a. Japan's proposal on DNS Abuse - March 2021
2. Prepare for providing early input, as necessary, and is expected to be requested from Community Group, to inform the initiation of the upcoming Phase 2 of the [Review of All Rights Protection Mechanisms in all gTLDs](#) PDP, which is set to review the UDRP.
  - a. See e.g., as background, a related Briefing Note distributed at ICANN 60 in Abu Dhabi and corresponding WIPO presentation made at that same meeting (annexed to this briefing).

## Relevant Developments

The RPM PDP WG delivered its Phase 1 [Final Report](#) on 24 November 2020 to the GNSO Council; it was approved by the GNSO Council on 21 January 2021. Specifically, the GNSO Council approves and recommends that the ICANN board adopt all final PDP recommendations as documented in the Phase 1 Final Report. The PRM PDP WG Phase 1 Final Report includes 35 Final Recommendations addressing the Uniform Rapid Suspension, the Trademark Clearinghouse, Sunrise Periods, Trademark Claims Notices, the Trademark Post Delegation Dispute Resolution Procedure (PDDRP), and Overarching Data Collection Recommendations. For more information please refer to the [GNSO Council Webinar on the RPM PDP WG Final Report](#), which took place on 11 January 2021.

### Recommendations to maintain the status quo:

- Trademark+50 rule: under TMCH rules brand owners are allowed to submit into the TMCH up to 50 previously abused domain name variations to be used for Claims Notices *only*.
- “Exact Match” rule: the words claimed to be owned need to exactly match the trademark which is being presented.
- Scope of Applicability of Sunrise and Claims Notices to specific gTLDs for trademarks containing dictionary term(s): the WG discussed the scope of applicability of Sunrises and Claims Notices, to see whether trademarks consisting of dictionary terms should have a different treatment. The WG ultimately decided that restrictions for trademarks that are also a dictionary term (but can be “arbitrary” and even famous in a trademark sense, e.g., APPLE for computers) were not appropriate.
- Trademark Claims Notice timing: the AGB provides a minimum 90-day claims notice period, and the WG decided to maintain this.
- Sunrises: the WG agreed to maintain a mandatory Sunrise period, to maintain existing requirements for Sunrise periods, and against the requirement that new gTLD registries publish their Reserved Names lists.

### Recommendations to modify existing *operational practices*:

- URS:
  - Providers to send notices to Respondent after Registry/Registrar has forwarded registration data.
  - ICANN org, Registries, Registrars, and Providers to take steps to ensure contact details are up to date.
  - Providers to require that Examiners document their rationale in sufficient detail.
  - IRT to review implementation issues with respect to Registry Requirement 10 in the “URS High Level Technical Requirements for Registries and Registrars”.
  - Suggestion to remove “Technical” in title of “URS High Level Technical Requirements for Registries and Registrars”.
- TMCH:
  - The WG clarified that the Validation Provider (currently Deloitte) is primarily responsible for educating rights-holders, domain name registrants, and potential

registrants about its services; the IRT is suggested to work with the Validation Provider and consider enhancing existing educational materials, with additional attention to registrants.

- The Database Provider (currently IBM) is to must maintain industry-standard levels of redundancy and uptime.
- Sunrises:
  - The SDRP (Sunrise Dispute Resolution Procedure) is not intended to allow changes to Sunrise registrations on grounds of an invalid Trademark Record; a Registry Operator is to immediately suspend domain name registration to allow registrant to file challenge under the TMCH's dispute resolution procedure.
- Trademark Claims Notices:
  - Suggestion to maintain current requirement to send the Claims Notice before a registration is completed; ICANN org can work with Registrars to address implementation issues.
  - Suggestion to revise language of Trademark Claims Notice to make it more "plain English" to improve the understanding of recipients; reflect more specific information about the trademark(s) for which it is being issued, and communicate its meaning and implications.

#### **Recommendations to create new *policies and procedures*:**

- GDPR-related:
  - Complainant must only be required to insert publicly-available WHOIS/RDDS data in Initial Complaint; allow update to Complaint within 2-3 calendar days.
  - URS Panelists have discretion to decide whether to publish/redact registration data in the Determination; URS party has the right to request redaction.
  - Clearly define what "Default Period" means; registrant must not change public and non-public registration data elements during the Default Period.
- Complaint Mechanism(s):
  - ICANN Org to establish a compliance mechanism(s) including an avenue for any party in the URS process to file complaints and seek resolution.
- Education:
  - Uniform set of educational materials on what is needed to meet the "clear and convincing" burden of proof.
  - Informational materials to assist Complainants and Respondents, including FAQs, forms, reference materials to explain Providers' services & practices.
- Language:
  - Provider must translate Notice of Complaint into the language of the Registration Agreement.
- Examiner:
  - Provider maintains and publishes a list of Examiners and their qualifications (CVs); identify how often each one has been appointed and link to their decisions.

- Provider publishes and reasonably enforces an effective Examiner Conflict of Interest Policy.
- Sunrise:
  - Registry Agreement for future new gTLDs to include a provision stating that a Registry Operator shall not operate its TLD in such a way as to have the effect of intentionally circumventing the mandatory RPMs or restricting brand owners' reasonable use of the Sunrise process.
- Trademark Claims Notices:
  - Current mandatory Claims Notice period to remain uniform for all gTLDs in subsequent rounds, with exception for those exempted pursuant to Spec 13 (.Brand TLDs) & Section 6 of Spec 9 Registry Operator Code of Conduct.
  - Trademark Claims Notice to be delivered both in English and the language of the registration agreement.
- Trademark-PDDRP:
  - Suggestion to codify / affirm existing practice that multiple disputes filed by unrelated entities against the same Registry Operator may be initially submitted as a joint Complaint, or may, at the discretion of the Panel, be consolidated upon request.
- TMCH (this recommendation achieved "consensus" rather than "full consensus"):
  - Only "word marks" that meet one of the following requirements are eligible for the mandatory Sunrise and Trademark Claims RPMs:
    - Nationally or regionally registered word marks from all jurisdictions
    - Word marks validated by a court of law
    - Word marks protected by a statute or treaty
  - Geographical indications, protected designations of origin, and other signs protected by quality schemes for distinguishing or indicating the geographic source or quality of goods or services are not eligible for the mandatory Sunrise and Trademark Claims RPMs (unless they are also trademarks as defined in (a) or (b)).
  - TMCH Validation Provider(s), registry operators and other third parties may provide ancillary services to intellectual property rights-holders; these other forms of intellectual property must be held in a separate ancillary database.

#### **Recommendations for overarching data collection:**

- For future new gTLD rounds, ICANN Org to collect the following data on at least an annual basis and make the data available to future RPM review teams:
  - Number of marks submitted for validation in each category of marks accepted by the TMCH;
  - Number of successfully validated marks in each category of marks accepted by the TMCH;
  - Number of labels generated for all successfully validated marks;
  - Number of abused labels;
  - Number of marks deactivated in and removed from the TMCH;
  - Breakdown of the scripts/languages represented in a validated and active trademark in the TMCH; and
  - Number of cases decided under the TMCH dispute resolution procedure.

- For future new gTLD rounds, ICANN-accredited registrars must provide ICANN Org with periodic reports of the number of Claims Notices that were sent out to prospective registrants, not less than every 12 months.
- ICANN Org explore developing a mechanism, in consultation with the URS Providers, to enable publication and search of all URS Determinations in a uniform format.
- ICANN org to also collect data concerning trademark owners' and registrants' experience with the RPMs that can be provided to future RPM review teams.

On 10 February 2021 the GNSO Council Approved its [Recommendations Report](#) to the ICANN Board regarding the adoption of the Phase 1 Final Recommendations from the RPM in all gTLDs PDP.

At this time, the GNSO Council is expected to deliver the report to the ICANN Board imminently for Board review and ultimately Board vote.

This provides an opportunity for the GAC to flag any potential public policy concerns to the Board via GAC consensus advice.

***Subject to discussions (and if appropriate consultations) based on prior GAC Advice and Interventions (especially e.g., with respect to the TMCH) it is not foreseen that there is a need for the GAC to flag any specific policy concerns to the Board prior to its vote on the GNSO Council's recommendations.***



## Current Positions

- [ICANN51 Los Angeles GAC Communique](#)
- [September 14, 2011 Letter to GNSO Council Regarding UDRP PDP Issues Report](#)
- [GAC Comments on the Applicant Guidebook - 26 May 2011](#)

## Key Reference Documents

- [Phase 1 Final Report on the Review of All Rights Protection Mechanisms in All gTLDs Policy Development Process](#) - 24 November 2020
- [GNSO Council Recommendations Report to the ICANN Board – Regarding Adoption of the Phase 1 Final recommendations from the Review of All Rights Protection Mechanisms in All gTLDs Policy Development Process](#) - 10 February 2021

## Further Information

- [GNSO Council webinar: RPM PDP WG Final Report](#) - 11 January 2021
- [RPM in all gTLDs PDP WG Wiki Space](#)
- [Phase 1 Initial Report on the Review of All Rights Protection Mechanisms in All gTLDs Policy Development Process](#)
- [Final Issue Report - PDP to Review All RPMs in all gTLDs](#) - 11 January 2016

## Document Administration

<b>Meeting</b>	ICANN70 Virtual Community Forum, 22-25 March 2021
<b>Title</b>	Rights Protection Mechanisms
<b>Distribution</b>	GAC Members (before meeting) and Public (after meeting)
<b>Distribution Date</b>	Version 2: 16 March 2021

## ■ Rights Protection Mechanisms: Why should the GAC care?

**Abu Dhabi  
October 31, 2017**

Brian Beckham, World Intellectual Property Organization

## The Internet and DNS significantly contribute to the global economy

- With over 3.2 billion (and growing) estimated Internet users globally, the digital economy increasingly contributes to GDP, and promotes innovation and job creation
- In 2016 brands spent nearly USD 500 billion on advertising globally
- By 2016 the Internet economy of the G-20 was expected to reach USD 4.2 trillion (5.3% of GDP)
- High- and medium-Web SMEs experience significant revenue growth, and generate more jobs

Sources:

- <http://time.com/money/3896219/internet-users-worldwide/>
- MAGNA Global Advertising Forecast, [www.magnaglobal.com/wp-content/uploads/2016/12/MAGNA-December-Global-Forecast-Update-Press-Release.pdf](http://www.magnaglobal.com/wp-content/uploads/2016/12/MAGNA-December-Global-Forecast-Update-Press-Release.pdf)
- BCG Report: The Internet Economy in the G-20 <https://www.bcg.com/documents/file100409.pdf>.
- Id. For example, over a 3-year period in Brazil, 98% of High-Web SMEs added jobs vs 77% for Low-Web SMEs

## E-commerce contributes to jobs/GDP

- The Internet economy contributes to 10% of UK GDP
- In 2014: the Internet economy contributed to 6% of US GDP (\$966b, and 3m jobs)
- The Internet accounted for 21% of GDP growth from 2005 to 2010 among studied developed countries

Sources:

- <https://www.bcg.com/d/press/1may2015-internet-contributes-10-percent-gdp-uk-economy-12111>
- <https://finance.yahoo.com/news/internet-economy-six-percent-us-gdp-study-205601270.html> (citing Internet Association study)
- <https://www.mckinsey.com/industries/high-tech/our-insights/internet-matters>

WIPO | ADR  
Arbitration  
and Mediation  
Center

## IP/trademarks support jobs/GDP

- US: trademark-intensive industries contributed 23.7m jobs in 2014, and in 2016 contributed over \$6 trillion dollars (38%) to GDP
- EU: from 2011 to 2013, IP-intensive industries generated over 42% of total economic activity; trademark-intensive industries were 36% (€4.8t) of that activity generating nearly 46m jobs (21%)
- Latin America: trademark-intensive industries in Chile, Colombia, Panama, Peru, and Mexico, from 2010 to 2014, contributed from 10% to 21% of GDP, and comprised from 8% to 26% of total jobs
- ASEAN countries Indonesia, Malaysia, the Philippines, Singapore, Thailand: trademark-intensive industries contributed from 22% to 50% of GDP, and comprised from 13% to 29% of total jobs

Sources:

- <https://www.uspto.gov/learning-and-resources/ip-motion/intellectual-property-and-us-economy>
- <http://www.prweb.com/releases/2017/09/prweb14668168.htm> (INTA press release)
- Id.
- [https://www.inta.org/Communications/Documents/ASEAN\\_Impact\\_Study-Five\\_Country\\_Summary\\_090817.pdf](https://www.inta.org/Communications/Documents/ASEAN_Impact_Study-Five_Country_Summary_090817.pdf)

WIPO | ADR  
Arbitration  
and Mediation  
Center

## Trademarks protect consumers

■ “Trademarks promote freedom of choice and enable consumers to make quick, confident, and safe purchasing decisions.”

- 2015: nearly 8.5m trademark applications filed worldwide

Sources:

- [https://www.inta.org/Communications/Documents/ASEAN\\_Impact\\_Study-Five\\_Country\\_Summary\\_090817.pdf](https://www.inta.org/Communications/Documents/ASEAN_Impact_Study-Five_Country_Summary_090817.pdf)
- [www.wipo.int/ipstats/en/charts/ipfactsandfigures2016.html](http://www.wipo.int/ipstats/en/charts/ipfactsandfigures2016.html)

## Protecting consumers in the DNS

■ Protecting brands online helps mitigate consumer confusion and related harms, curb abusive practices, and provide a stable platform for global economic growth

■ In the DNS, the UDRP (the Uniform Domain Name Dispute Resolution Policy) is a vital contribution to these collective benefits

## Addressing trademark abuse in the DNS

- Bad actors in the DNS target brands and defraud unsuspecting consumers
- The global nature of the Internet requires global solutions to combat such practices
- At the request of the US with WIPO Member States' approval, to address bad actors engaged in "cybersquatting" in 1999 WIPO designed the UDRP
- As a global dispute resolution mechanism, the UDRP resolves domain name disputes without a need for expensive court litigation
- Through 2017, WIPO has managed almost 40,000 UDRP cases with parties from 175 countries

WIPO | ADR  
Arbitration  
and Mediation  
Center

## Further UDRP benefits

- Trademark-abusive domain names are also used to perpetuate phishing, fraud, counterfeiting, and employment scams, to distribute malware, or for illegal prescription drugs
- Beyond assisting brand owners in addressing such abuses of their trademarks online, the UDRP:
  - Minimizes burdens on national courts
  - Promotes trust, and protects consumers
  - Provides predictability for the domain investment aftermarket
  - Provides a safe harbor for ICANN Contracted Parties: keeping them out of cybersquatting disputes and courts
- A globally-recognized best practice, and part of WIPO's capacity-building, the UDRP is the basis for over 75 ccTLD dispute resolution policies in all regions

WIPO | ADR  
Arbitration  
and Mediation  
Center

## WIPO as the UDRP's recognized steward

- Operating on a not-for-profit basis, WIPO invests in training for experts and filing parties, and produces a globally-used Jurisprudential Overview
- Without such WIPO stewardship, UDRP predictability and DNS stability would be severely undermined
- WIPO's institutional investment includes tools such as real-time case statistics and an online searchable Legal Index – both promoting UDRP transparency
- WIPO has initiated e-filing (approved by ICANN's Board), case language practices, and settlement facilities
  - In support of case language capacity, WIPO as the only truly global provider has managed cases in over 20 languages

WIPO | ADR  
Arbitration  
and Mediation  
Center

## Risks to the UDRP in ICANN's structure

- ICANN – for institutional reasons – has decided to initiate a PDP to review the UDRP (and the related new gTLD mechanism, the URS)
- This ICANN process carries a serious risk of undermining the UDRP's effectiveness
- Both institutionally and in practice, ICANN process is weighted towards registration interests

WIPO | ADR  
Arbitration  
and Mediation  
Center

## Safeguarding the UDRP's current positive functioning

- As relevant today as ever: with its flexible design, the UDRP model is a globally-valued rights protection tool
- Achieving a UDRP net-positive means ICANN (a technical body) **giving appropriate weight to WIPO input, experience, and expertise**
- WIPO, from creating the UDRP, to administering nearly 40,000 cases, uniquely understands the procedural and substantive implications of even well-intended UDRP (and URS) "improvements"
- The current UDRP design should be preferred to an unwieldy "revised" mechanism that fails to **respect the balance and consensus reflected in WIPO's Jurisprudential Overview**

## Cautionary WG tale: UDRP lock reforms

- Should not have been necessary
  - ICANN Issues Report: "Paragraph 7 does require a registrar to maintain "Status Quo", **but...**"
- Occasioned by bad registration actors
- 2+ years in the making
- Settlement process spelled out in considerable detail, but...many complications in practice
- And...a reduced settlement rate!



## Risks in ICANN's Policy Processes

- The ICANN-produced URS is a case study in unwieldy design-by-committee
- Serious concerns regarding its efficacy and operational sustainability remain, which are reflected in its underutilization
- Without a fully informed process, there is a real risk that the UDRP will go the way of the URS
  - WIPO would need to carefully re-examine its continued UDRP investment
- To produce the UDRP in the first place, **WIPO provided the UDRP blueprint to ICANN**
- To consider the future of this unique globally-successful dispute resolution mechanism, WIPO is prepared to provide its expert leadership

## Why is UDRP stability important?

- With expected digital economy growth, and future ICANN new gTLD rounds, the potential for cybersquatting and consumer harm remains constant – if not at risk of increasing
  - These factors make continued UDRP stability all the more important



## How can the GAC help?

■ So that brand owners and consumers in tomorrow's digital economy can continue to rely on the UDRP:

- Demand that ICANN's processes respect WIPO's unique substantive UDRP expertise and operational experience

■ ICANN Bylaws: "promote well-informed decisions based on expert advice"

- GAC Advice; input to RPM Working Group
- IP Office colleagues: WIPO UDRP Briefing Note

# WIPO Briefing Note for the ICANN Governmental Advisory Committee:

## Continued UDRP stability benefits all ICANN stakeholders



(Page 1 of 2)

Protecting brands online helps to mitigate consumer confusion and related harm, curb abusive practices, and provide a stable platform for global economic growth. In the DNS, the UDRP (the Uniform Domain Name Dispute Resolution Policy) is a vital contribution to these collective benefits.

### The Internet and DNS significantly contribute to the global economy

With 3.2 billion (and growing) estimated Internet users globally, the digital economy increasingly contributes to GDP and promotes innovation and job creation.

- In 2016 brands spent nearly USD 500 billion on advertising globally<sup>1</sup>
- By 2016 the Internet economy of the G-20 was expected to reach USD 4.2 trillion (5.3% of GDP)<sup>2</sup>
- High- and medium-Web SMEs experience significant revenue growth, and generate more jobs<sup>3</sup>

### Addressing trademark-abusive conduct in the DNS

Even for all of its positive attributes, as with much public technology, the Internet and DNS also bring their share of bad actors. Many of these bad actors target brands and defraud unsuspecting consumers. To combat such practices, the global nature of the Internet requires global solutions.

At the request of the United States Government with WIPO Member States' approval, to address bad actors engaged in "cybersquatting" in 1999 WIPO designed the UDRP. As a global dispute resolution mechanism, the UDRP resolves domain name disputes without a need for expensive court litigation. Through 2017, WIPO has managed almost 40,000 cases with parties from 175 countries.

In many cases, trademark-abusive domain names are also used to perpetuate phishing, fraud, counterfeiting, and employment scams, to distribute malware, or for illegal prescription drugs.

### Further UDRP benefits

Beyond assisting brand owners in addressing abuse of their trademarks online, the UDRP

- Minimizes burdens on national courts
- Promotes trust, and protects consumers
- Provides predictability for the domain investment aftermarket
- Provides a safe harbor for ICANN Contracted Parties: keeping them out of cybersquatting disputes and courts

As a globally-recognized best practice, and part of WIPO's capacity-building, the UDRP is also the basis for over 75 ccTLD dispute resolution policies in all regions.

### WIPO as the UDRP's recognized steward

Operating on a not-for-profit institutional basis, WIPO invests in training for Panelists and Parties and produces a globally-used Jurisprudential Overview covering thousands of cases over time.

<sup>1</sup> MAGNA Global Advertising Forecast, [www.magnaglobal.com/wp-content/uploads/2016/12/MAGNA-December-Global-Forecast-Update-Press-Release.pdf](http://www.magnaglobal.com/wp-content/uploads/2016/12/MAGNA-December-Global-Forecast-Update-Press-Release.pdf).

<sup>2</sup> BCG Report: The Internet Economy in the G-20 <https://www.bcg.com/documents/file100409.pdf>.

<sup>3</sup> Id. For example, over a 3-year period in Brazil, 98% of High-Web SMEs added jobs vs 77% for Low-Web SMEs.

# WIPO Briefing Note for the ICANN Governmental Advisory Committee:

## Continued UDRP stability benefits all ICANN stakeholders



(Page 2 of 2)

Without such WIPO stewardship, UDRP predictability and DNS stability would be severely undermined.

- WIPO's institutional investment includes a range of further tools, including real-time case statistics and an online searchable Legal Index – both promoting UDRP transparency
- WIPO has initiated e-filing, case language practices, and settlement facilities
  - In support of case language capacity, WIPO as a global provider has managed cases in over 20 languages

### Risks to the UDRP inherent in ICANN's structure

ICANN, for institutional reasons, has decided to initiate a PDP to review the UDRP and the related new gTLD mechanism, the URS.

This ICANN process carries a serious risk of undermining the UDRP's effectiveness.

Both institutionally and in practice, ICANN process is weighted towards registration interests.

### An expert-driven UDRP review avoids undermining the UDRP's functioning

Achieving a UDRP net-positive would mean ICANN, as a technical body, giving appropriate weight to WIPO input, experience, and expertise.

Having created the UDRP, WIPO through tens of thousands of cases uniquely understands the policy and practical implications of even well-intended UDRP (and URS) "improvements", in substance and in process terms.

With its flexible and forward-looking design, the UDRP remains globally-valued as an up-to-date rights protection tool. Its current design should be preferred to an unwieldy "revised" mechanism that fails in practice.

The ICANN-produced URS is a case study in unwieldy design-by-committee. Serious concerns regarding its efficacy and operational sustainability remain, which are reflected in its underutilization. Without a fully informed process, there is a real risk that the UDRP will go the way of the URS (in which case, regrettably, WIPO would need to carefully examine its continued UDRP investment).

To produce the UDRP in the first place, WIPO provided its UDRP blueprint to ICANN for review and implementation. To consider the future of this unique global dispute resolution mechanism, WIPO would be prepared to provide its expert leadership.

### The GAC

As the digital economy grows, and ICANN considers future new gTLD rounds, the potential for cybersquatting and consumer harm only increases – making continued UDRP stability all the more important. Any responsible ICANN process should use WIPO's unique substantive UDRP expertise and operational experience.

To preserve the UDRP's vital role in tomorrow's digital economy, GAC support for continued UDRP stability is instrumental. Conveying this support to ICANN would enable brand owners and consumers to continue to rely on the UDRP.