

COMMENTS OF IPC ON IRT FINAL REPORT

The Intellectual Property Constituency (IPC) welcomes this opportunity to provide comments on the final report of the Implementation Recommendation Team (IRT).

IPC commends the ICANN board for directing the formation of the IRT, and thanks the ICANN staff for its proactive support and assistance for the operations of the Team. The board's action was an appropriate response to an amply documented fact: the original version of the Draft Applicant Guidebook (DAG) for the new gTLD process insufficiently addressed a serious risk. The danger was – and remains -- that the opportunities presented by the new gTLD launch would be swamped by unproductive and infringing uses that would harm consumers by creating massive confusion about who was responsible both for new Top Level Domains, and for second level domains registered in the new TLDs. The ICANN board prudently sought the input of experts in the relevant fields to design practical safeguards that would reduce this danger. The IRT report is the result.¹

The volunteers who made up the IRT deserve thanks from the entire ICANN community for their contribution to a safer and more secure domain name system. They labored under one major impediment: the unrealistically short time frames imposed upon them by the Board resolution. While they have produced an invaluable document whose recommendations demand serious consideration, their product certainly would have benefitted from more time, which would have allowed for some ambiguous recommendations to be clarified; for some areas neglected in the final report to be given their due; and for further discussion and consensus-building to take place among team members, who sought to balance a wide range of fundamentally divergent inputs from across the entire range of the community.

In these comments, IPC will comment briefly on some of the major aspects of the IRT final report. Many IPC members are also filing comments, some of which will contain more detailed analyses and recommendations. Finally, IPC wishes to take this opportunity to put the IRT report in context of the entire new gTLD project.

A. IRT Recommendations

1. Globally Protected Marks List (GPML)

IPC supports this proposal in principle. We noted in our comments on DAG v.1 (see <http://forum.icann.org/lists/gtld-guide/msg00117.html>) that ICANN had decided not to employ an expanded reserved names list as a way of preventing abusive registrations at the second level in the new gTLDs. We urged that new gTLD applicants be given incentives to employ broader reserved names lists, and continue to believe that this should be a feature of any new gTLD launch. The GPML falls well short of according reserved names status to globally protected

¹ Viewed in this context, some of the procedural objections that have been raised to the IRT report lack a sound basis and should be rejected. The IRT process was an indispensable corrective mechanism to try to address a serious gap in the new gTLD proposal that the prior policy development and implementation procedures had failed to fill, as the public comments on DAG v.1 fully document.

marks, and many IPC members believe a broader protective mechanism should be employed. But the GPML does provide a measure of protection against abusive registrations of domain names that are identical to these marks. It also provides a simple and efficient unified way for brand owners to achieve this protected status (through the IP clearinghouse). Of course, some of the specific criteria that will be employed to determine whether a particular mark qualifies for inclusion of the GPML await further data that ICANN staff have been asked to compile. We urge that the final criteria be crafted with care, so that established marks with bona fide global status may qualify.

2. IPC Clearinghouse

In its comments on DAG v.1, IPC called for “a common repository for documentation of trademark claims that right holders can invoke in any pre-launch mechanism for particular TLDs.” The IP Clearinghouse proposed in the IRT final report largely fulfills this requirement, and its use should be made mandatory for all new gTLDs employing pre-launch rights protection mechanisms that depend on rights verification. IPC members believe, based on experience in some prior new TLD launches, that such a clearinghouse is feasible and can be brought into operation in a reasonable time period. IPC continues to believe that, since effective and practical pre-launch rights protection mechanisms are an indispensable ingredient for any successful launch of new gTLDs, the bulk of the cost of establishing and operating the clearinghouse ought to be borne by ICANN, although of course a reasonable filing fee for right holders would be appropriate. Since the clearinghouse would perform for all new gTLDs a number of the functions that would otherwise be the responsibility of the registries in implementing their pre-launch rights protection mechanisms, this will reduce the costs imposed on registries. In any case, providing an effective pre-launch RPM ought to be treated as part of the cost of doing business for a new gTLD launch.

3. Uniform Rapid Suspension mechanism

In its prior comments, IPC identified “enhanced and expedited procedures for rapid takedown of registrations employed to infringe intellectual property rights (or to engage in other illegal behaviors)” as a critical element of a successful new gTLD launch. The URS is intended to provide this procedure, at least with respect to trademark infringements and cybersquatting.² IPC strongly supports the URS proposal in principle. Its importance will be even more magnified if, in fact, the new gTLDs are not required to create robust reserved names lists at the second level that would protect globally recognized brands, and if the more modest GPML mechanism remains restricted to exact matches between the GPM and the proposed second level registration. In this environment, there must be a prompt, efficient, and balanced means for dealing with typosquatting and other abusive registrations that show up in new gTLDs because they have evaded the relatively weak preventive mechanisms contemplated in the IRT report. In general, the URS fulfills that critical need.

² IPC awaits the progress of discussion on the “overarching issue” dealing with malicious behavior in the new gTLDs before commenting on rapid takedown mechanisms to be employed against other forms of serious misconduct by registrants in the new gTLDs, including but not limited to phishing and similar frauds.

4. Thick Whois

IPC strongly supports the IRT recommendation that all new gTLDs be required to operate thick Whois services, and applauds the ICANN staff for incorporating this provision into the excerpts from V.3 of the DAG that were recently released . See <http://www.icann.org/en/topics/new-gtlds/thick-thin-whois-30may09-en.pdf>.

5. Post-Delegation Dispute Mechanism

This element of the IRT Final Report is responsive to IPC's call (in its comments on DAG v.1) for a clear statement of "the circumstances in which such post-delegation review could take place on intellectual property grounds, such as whether it would be applied to a TLD that is infested with abusive registrations, and whose operator is unwilling or unable to control the problem." The mechanism proposed by the IRT, based on an initiative of the World Intellectual Property Organization, could provide a valuable complement to ICANN contract compliance efforts in this situation, or when registry commitments regarding pre-launch rights protection mechanisms are systematically neglected or violated.

B. The IRT Report in Context

The IRT Final Report includes an extensive list of other proposals that warrant consideration as part of an effective package of practical solutions to the intellectual property problems posed by the launch of new gTLDs. (See pages 8-9) It is clear that the only reason these are not addressed in more detail in the Final Report is that there simply was not time to do so, given the unrealistic deadlines imposed by the ICANN board. IPC strongly believes that several of these additional proposals must be considered and included before the trademark issues that gave rise to the IRT process can be considered "resolved." In particular, consistent with our comments on DAG v.1, it is critical that agreements with the new gTLD registries include requirements for registry policies to enforce registrar compliance with (1) applicable obligations relating to Whois data accuracy, and (2) the responsible use of proxy or private registrations, if allowed in the particular gTLD.

Second, it is important to bear in mind that few if any of the IRT recommendations are unprecedented. Most of them have their roots in well-established practices in the domain name marketplace, or in related Internet spaces, some of which have already been referred to in this comment. For instance, IP clearinghouses similar to the one proposed by the IRT were successfully employed in the launches of .eu and .asia. The Globally Protected Marks List proposal resembles the lists used to prevent abusive registrations in some ccTLD launches, and draws from well-established protocols in the online advertising sphere (for instance, search engine operators receive and verify thousands of trademark rights notices that are used to compile lists of terms that cannot be used within sponsored link advertisements). Precedents for the Uniform Rapid Suspension proposal include the fast-track dispute mechanism employed by Nominet for .uk, and the rapid suspension procedures applied by several registries to combat phishing and other misconduct (including typosquatting, in the case of at least one ccTLD). Thick Whois, of course, is the uncontroversial norm in the vast majority of gTLD registries. While some of the IRT recommendations extend well beyond these precedents, it is worth emphasizing that implementation of the IRT recommendations generally would not require

blazing a new trail. ICANN should examine these well-established and generally accepted practices, and learn from the experience of the registries and other entities involved, in designing solutions to the trademark problems in the new gTLDs.

Finally, the ICANN community must bear in mind that trademark solutions, while critical, are only one of the four “overarching issues” identified by ICANN staff as requiring resolution before any new gTLD launch can occur. In particular, no launch should occur before a meaningful investigation of the economics of the domain name marketplace has been completed and reviewed by the community. This is the essential predicate to designing a new gTLD launch whose scope and pace is best calculated to stimulate real competition and choice that benefits consumers, rather than wasteful and unproductive activity that simply confuses consumers without expanding the choices realistically available to them. Such a study, called for by the ICANN Board nearly three years ago, has never been commissioned, and the steps that ICANN has taken to date to resolve this “overarching issue” have fallen far short.³ In any event, how these other issues are resolved could well have an impact on the trademark issues, so ICANN should bear this in mind in building on the framework contained in the IRT Final Report.

At the Sydney meeting, the chair of ICANN’s Board, in response to a question submitted to the public forum, stressed that “meeting legitimate community concerns is more important to both board and staff than meeting an announced deadline. We have said publicly that we will not open the [new gTLD application] process until concerns have been addressed.” <http://syd.icann.org/files/meetings/sydney2009/transcript-public-forum-25jun09-en.txt>.⁴ IPC fully supports the chair’s articulation of the right priorities at this stage. The IRT process has demonstrated that IPC members and other committed parties are prepared to roll up their sleeves and, under draconian deadlines, devise a framework of practical solutions for major unresolved issues. ICANN must take the time needed to flesh out and adjust that framework, and to carry out similar exercises to resolve all the other “overarching” (and key “underarching”) issues. Only then will the community’s legitimate concerns have been addressed in a way that will justify opening the new gTLD application process.

Respectfully submitted,

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³ Furthermore, significant issues not designated by the ICANN staff as “overarching” – one might call them “underarching” issues – remain to be resolved. These include the position of new TLD applications intended for the use of a single company or brand; the community objection procedure and comparative evaluation process; and, perhaps most significantly, the role of auctions in awarding new gTLDs in cases of string contention. While some of these are addressed to some extent in the DAG v.3 “excerpts” that ICANN recently released, we note them here as important questions whose resolution may have a great impact on the viability of the new gTLD launch.

⁴ This statement reaffirmed the chair’s previous announcement, made at the time the IRT process was initiated, that “the Board has clearly heard and believes strongly that the concerns of trademark holders must be addressed before this process is opened for applications.” See <http://www.icann.org/en/announcements/announcement-6-06mar09-en.htm>.