ORGANISATION MONDIALE
DE LA PROPRIÉTÉ INTELLECTUELLE

Centre d'arbitrage et de médiation de l'OMPI

WORLD INTELLECTUAL
PROPERTY ORGANIZATION

WIPO Arbitration and Mediation Center

April 3, 2009

Dear Messrs. Pritz, Jeffrey, Ms. Stathos,

I am writing by way of follow-up to my letter of March 13, 2009 containing a proposal by the WIPO Arbitration and Mediation Center for a trademark-based Post-Delegation Procedure for New gTLD Registries (explained and available at *http://www.wipo.int/amc/en/docs/icann130309.pdf*). As you are aware, the WIPO proposal is intended to address registry behavior that causes or materially contributes to trademark abuse, whether through the TLD itself or through domain name registrations in the TLD. As an administrative alternative to court litigation and a standardized form of assistance to ICANN's compliance oversight responsibilities, we believe WIPO's post-delegation proposal would provide a necessary policy foundation on which more specific trademark rights protection mechanisms (RPMs) may be developed.

As was foreshadowed in that letter, the WIPO Center believes that, additionally, scalable RPMs should be employed – as appropriate for individual registry models – that strike a needed balance between intellectual property ./. interests and registry operational needs. To this end, attached herewith is a discussion draft of one model RPM, an Expedited (Domain Name) Suspension Mechanism (ESM). This document consists of a basic flow chart and corresponding overview of procedural, substantive, and further elements to be considered.

Regardless of the ultimate design of RPMs, I would underline the importance of coupling these RPMs to further mechanisms on a registry and

/...

Mr. Kurt Pritz, Mr. John Jeffrey, Ms. Amy Stathos
Internet Corporation for Assigned Names and Numbers
4676 Admiralty Way, Suite 330
Marina del Rey, CA 90292-6601
United States of America

By courier, and
Email: kurt.pritz@icann.org, jeffrey@icann.org, amy.stathos@icann.org

registrar level to reduce the risk that trademark owners would look for other options where largely recurring sanctions would not provide a meaningful measure of trademark protection against clearly repetitive conduct.

I hope that this discussion draft will assist discussions that continue to shape the consideration by ICANN, its constituencies, and DNS stakeholders of overarching trademark concerns in relation to the considered introduction of new gTLDs.

A copy of this letter is being posted on the WIPO website for public information at *http://www.wipo.int/amc/en/domains/resources/icann/*.

With best regards,

Yours sincerely,

Erik Wilbers
Director
WIPO Arbitration and Mediation Center

[Attachment to
WIPO Arbitration and Mediation Center Letter of April 3, 2009]

Model Expedited (Domain Name) Suspension Mechanism
WIPO RPM Discussion Draft communicated to ICANN on April 3, 2009

Background

ICANN's New gTLD Agreement (Proposed Draft v2 Section 2.7, including Specification 7 thereto) requires registry operators to specify processes and procedures for "initial registration-related and ongoing protection of the legal rights of third parties," which shall at a minimum include "(1) Development of Rights Protection Mechanisms [RPMs], (2) Authentication of Legal Rights, and (3) Dispute Resolution Mechanisms."

In this connection, the proposal made by the World Intellectual Property Organization Arbitration and Mediation Center (WIPO Center) for a trademark-based Post-Delegation Procedure for New gTLD Registries (explained and available at *http://www.wipo.int/amc/en/docs/icann130309.pdf*) provides as one of several non-exclusive consideration factors, "[w]hether the registry operator specified and effectively implemented [RPMs] to reasonably avoid the conduct described in paragraph A" of the Post-Delegation Procedure.

Paragraph A of the proposed Post-Delegation Procedure provides that the above factor concerning RPMs, among others, may be taken into consideration by a panel in its application of the proposed criteria, which specify that: "A registry operator shall be required to submit to a mandatory administrative proceeding where a third party (complainant) asserts that: (i) the registry operator's manner of operation or use of a TLD, which is identical or similar to the complainant's mark, causes or materially contributes to such TLD (a) taking unfair advantage of the distinctive character or the reputation of the complainant's mark, or (b) unjustifiably impairing the distinctive character or the reputation of the complainant's mark, or (c) creating an impermissible likelihood of confusion with the complainant's mark; or (ii) the registry operator's manner of operation or use of the TLD causes or materially contributes to domain name registrations therein, which are identical or similar to the complainant's mark, meeting any of the conditions (a), (b), or (c) above."

WIPO Discussion Draft

As currently foreseen in ICANN's New gTLD Agreement, it will be up to registry operators to adopt RPMs in light of the purpose and nature of the TLDs, as well as their operational needs. Providing a scalable basis for one possible RPM, set out below is the WIPO Center's discussion draft of an Expedited (Domain Name) Suspension Mechanism (ESM). This draft includes a brief flowchart and highlights principal areas for discussion at each stage.

An ESM may be employed following TLD-launch, and may also be complemented by other appropriate RPMs, in particular those that would precede

TLD-launch. Similarly, an ESM would further add to the preserved party-option under the Uniform Domain Name Dispute Resolution Policy (UDRP). It bears emphasis that the ESM administrative option suggested is not intended to foreclose the possibility for any party to present its dispute to appropriate courts or to avail itself of other dispute resolution options.

Drawing on guidance from ICANN's New gTLD Agreement and the WIPO Center's proposed Post-Delegation Procedure for New gTLD Registries, this ESM discussion draft aims to contribute to adequate and ongoing protection of trademark rights while striking a reasonable balance between the protection of such rights, the practical interests of compliant registry operators to minimize operational burdens, and the legitimate expectations of good-faith domain name registrants.

This discussion draft has been prepared bearing in mind relevant commonalities and differences with analogous copyright mechanisms. Principal differences would include the availability of accessible sources for confirmation of asserted trademark rights, the nature of allegedly abusive domain name registrant behavior, and the proposed remedy of placing a challenged domain name on a Reserved Names List.

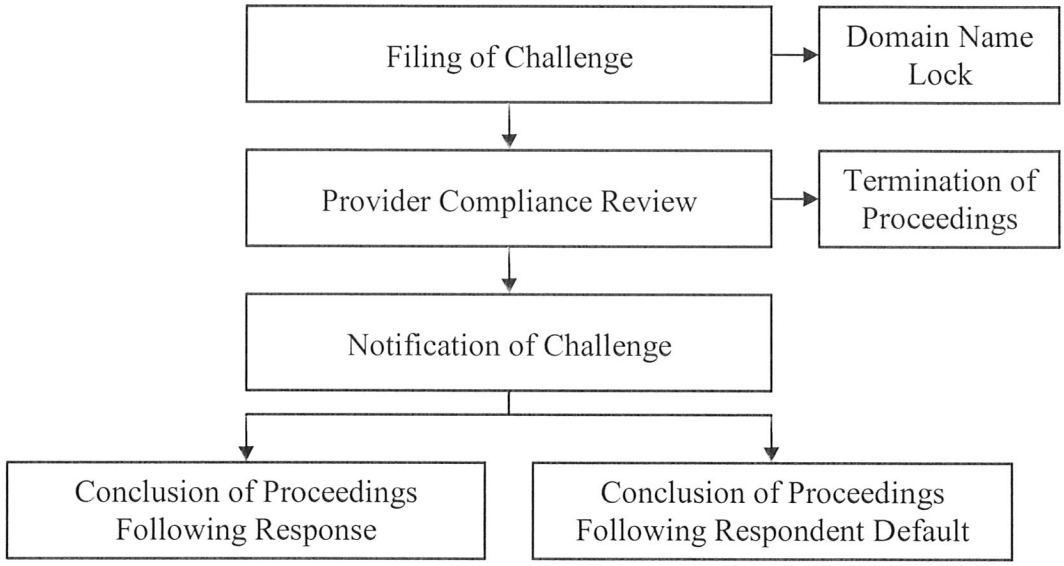
Further Discussions

While this ESM discussion draft has been prepared in consultation with a number of external WIPO experts, as reflected below, the WIPO Center is mindful that various workable expedited suspension models may take shape and further consultations with stakeholders in the Domain Name System (DNS) would be in order, including on operational realities.

Importantly, largely recurring sanctions through perpetual engagement in RPM, UDRP, or court proceedings would not provide a meaningful measure of trademark protection against clearly repetitive and abusive conduct. Therefore, in order to adequately address broad trademark concerns in the DNS, irrespective of the ultimate design of the ESM, or indeed other RPMs, it cannot be overemphasized that sufficient consideration should be given to the need to couple these RPMs to further measures at a registry and registrar level.

It is hoped that this WIPO discussion draft will assist consultations that continue to shape the consideration by ICANN, its constituencies, and DNS stakeholders regarding overarching trademark concerns in relation to the introduction of new gTLDs.

Model Expedited (Domain Name) Suspension Mechanism
Flowchart and Principal Areas for Discussion



1. Filing of Challenge

Substantive Criteria

A domain name registrant (respondent) would be required to submit to an ESM proceeding where a third party (challenger) asserts that:

(i) The challenger has appropriate rights (*e.g.*, as the owner, co-owner, or assignee) in a current (non-expired) trademark or service mark registration of national effect; and

(ii) *Variable 1*: The challenged domain name is identical or confusingly similar to the challenger's trademark or service mark; and

This variable would be intended to also capture typosquatted domain names. Note however that consideration should be given to whether an ESM Service Provider (Provider) itself should or could determine (as part of its compliance review) identity or confusing similarity.

Variable 2: The challenged domain name is identical to textual or word elements of the challenger's registered trademark or service mark, or includes textual or word elements which are identical to the challenger's trademark or service mark; and

This variable would be narrower in scope and would not capture typosquatted domain names. Informal data from a recent sampling of WIPO UDRP cases covering some 400 domain names indicate that a significant majority of UDRP disputed domain names would be captured by this variable. (This may however reflect brand management choices made by mark owners in light of UDRP fees and remedies.)

In connection with a determination on identity, it may be noted that the .mobi Sunrise Challenge Policy provided for a finding of identity between a trademark or service mark and a domain name in certain circumstances taking into account elements of a mark that may not be capable of reproduction in a domain name, *e.g.*, punctuation, foreign language characters, lack of spacing, etc.

For both variables, consideration should also be given to the treatment under the relevant ESM criteria of disclaimed elements in registered trademarks or service marks.

(iii) The respondent has no rights or legitimate interests in respect of the challenged domain name; and

(iv) The challenged domain name has been registered [and / or] is being used in bad faith.

Consideration should be given to the appropriate relationship between the ESM and the UDRP, including in terms of substantive criteria, *e.g.*, whether to maintain the conjunctive requirement of bad faith registration *and* use, or alternately whether, in order to facilitate action against abusive behavior shortly following a domain name registration, this requirement should be shifted to bad faith registration *or* use.

Trademark or Service Mark Identifying Information

A challenge should include appropriate identifying information concerning the trademark or service mark registration (such as an electronic copy of a registration certificate issued by the trademark authority, or as confirmed by other relevant means of verification).

Evidentiary Thresholds

Due consideration should be given to possible substantive (and evidentiary) criteria thresholds. A challenge would include at minimum, a duly certified assertion that the relevant requirements are satisfied. It would also be appropriate to consider whether a challenge should be required to additionally include relevant supporting facts and arguments.

Fees

The filing of a challenge would be subject to the payment of a non-refundable challenger's fee, determined on a non-profit, cost-recovery basis by the Provider in consultation with the registry operator.

Setting a fee schedule will depend on several variables such as, the scalability of the final form of the ESM, including, *inter alia*, the number of registry operators / registrars adopting a standardized form of the ESM, the degree of automation achievable at various stages of the ESM proceedings, the extent of the Provider's formal compliance review, and any substantive determination by a neutral.

Challenger Communication

A challenger would be required to copy the registry operator / registrar on its submission of the challenge to the Provider. In light of the potential for cyberflight, consideration should be given to whether the challenger should not be required at this stage to copy the challenge to the respondent.

Abuse Prevention Measures

Consideration should be given to employing measures (*e.g.*, "captcha" manual graphical challenge authentication) to prevent exploitation of the proposed ESM such as the automated filing of wholly unreviewed challenges (or responses).

2. Domain Name Lock

On its receipt of a challenge, it would be necessary for the registry operator / registrar to immediately lock the challenged domain name to prevent transfers to another domain name holder or registrar during the ESM proceedings (except in the event of an agreed transfer). It would also be appropriate for the lock to lapse only after a stated time period (*e.g.*, 15 calendar days) following the conclusion of the ESM proceedings (except in case of agreed transfer or termination). This period would be designed, *inter alia*, to avoid potential cyberflight prior to a challenger's possible filing of a subsequent UDRP or court complaint.

3. Provider Compliance Review

Provider

The ESM proceedings would be administered by Provider(s) appointed by the registry operator and approved by ICANN. (Subject to adequate safeguards, and depending on the model adopted, it may be appropriate to consider whether the ESM proceedings could also be administered directly by a registry operator or a registrar.)

Scope of Review

Within [5] calendar days of the challenger's submission of the challenge and the applicable fees, the Provider would review the challenge for formal compliance.

Consideration should be given to the appropriate scope of such review (bearing in mind its effect on the time and cost of the ESM proceedings), including:

- The basis for the Provider's examination / confirmation that the challenger's trademark or service mark is valid and meets the relevant conditions set out above;

- Whether supporting facts and arguments regarding the respondent's lack of rights or legitimate interests and bad faith would be required. If so required, consideration should be given to the extent of the Provider's review for challenge compliance with such requirements (*e.g.*, whether any text would

suffice or whether a *prima facie* determination should be made on whether the text provided appears to address the relevant substantive criteria);

- The appropriate relationship between the ESM and other applicable processes which provide for a (panel's) substantive review of the case on the merits, including the UDRP.

(Such considerations would also apply to determine the scope of Provider review for any response filed.)

4. Termination of Proceedings

If the Provider finds a challenge to be deficient, the ESM proceedings would be terminated.

Consideration should be given here to whether – given the desired time and cost efficiency of the ESM proceedings – the challenger should have an opportunity to cure any deficiencies identified by the Provider.

5. Notification of Challenge

The Provider would notify a challenge to the respondent by sending it to any email address(es) provided by the challenger, shown in the WhoIs database, and shown on any web page at the challenged domain name, appearing to have been provided for purposes of contacting the domain name registrant.

Variable: Consideration should be given to the extent to which there should be a process to identify any registrant underlying a privacy shield, or whether it would be sufficient to provide notification of a challenge to the WhoIs-listed contact email addresses. For example, prior to its Notification of Challenge, the Provider could request the registry operator, the registrar, and the WhoIs-listed domain name registrant (*e.g.*, privacy shield service provider) to confirm to the Provider the relevant email contact details of the domain name registrant / respondent, including those for the administrative, technical, and billing contacts. The Provider would then notify the challenge to any additional email addresses obtained within the specified period (*e.g.*, 3 calendar days). (Given the possible difficulties in identifying underlying domain name registrants resulting from varied registrar, privacy shield service, and WhoIs practices, this option may add to the procedural complexity, time and cost of the ESM proceedings.)

6. Filing of Response

Response Period

The period for filing a response (*e.g.*, 10 / 15 calendar days) would ideally reflect a balance between on the one hand, being sufficiently expeditious to lessen unjustified damage to brand reputation and goodwill, and to curb monetization (*e.g.*, pay-per-click revenue) facilitated by prolonged abusive domain name registrations, and, on the other hand, ensuring sufficient opportunity for good-

faith domain name registrants to respond to a challenge.

Evidentiary Thresholds

A response should include at minimum, a duly certified assertion that the challenge requirements are not satisfied.

Depending on the model adopted in terms of the possible need for supporting facts and arguments in the challenge, it may be appropriate for a response to similarly include supporting facts and arguments. The degree to which these may be required would bear on the scope of the Provider's response compliance review.

Offer to Relinquish or Transfer

Consideration should be given to whether the ESM should explicitly provide an option for the respondent to offer to relinquish the domain name to the Reserved Names List described below, or to transfer the domain name to the challenger, subject to the challenger's consent.

7. Conclusion of Proceedings

7.1 Following Response

If the respondent submits a response, the Provider would confirm its receipt of the response and notify the Conclusion of the Proceedings Following Response. The registry operator / registrar would maintain the domain name lock for [15] calendar days following the Provider's Notification of the Conclusion of Proceedings Following Response.

As noted above, if the outcome of the proceedings is determined by the simple filing of a response (*i.e.*, without a substantive determination by a neutral), there may be potential abuse of the ESM through automated responses, and appropriate deterrent measures should be considered.

Variable: Determination by a Neutral

Consideration may be given to whether the ESM proceedings should provide for a *prima facie* determination on the merits by an appointed neutral, which would affect the time and cost efficiency of the proceedings. In considering whether a determination by a neutral would be appropriate, the relationship between the ESM and other applicable processes which provide for a (panel's) substantive review of a case on the merits, including the UDRP, should be taken into account.

7.2 Following Respondent Default

Reserved Names List

If the Provider does not receive a response, the Provider would notify the Conclusion of the Proceedings Following Respondent Default. Upon communication by the Provider of a Notification of Conclusion of Proceedings

Following Respondent Default, the registry operator / registrar would delete the domain name registration, placing the challenged domain name on a Reserved Names List.

A remedy of cancellation of a challenged domain name, *e.g.*, as is presently provided for under the UDRP, may give rise to the potential for significant DNS registration-related abuses since cancelled domain names are re-registrable virtually immediately through automated processes.

Removal from Reserved Names List

Where a domain name is placed on a Reserved Names List, the respondent, the challenger, or a third party would have the option to seek the removal of the domain name from such List for restoration or registration based upon the satisfaction of certain relevant criteria (to be established) through an appropriate (fee-based) administrative mechanism.

Further consideration should also be given to the operational aspects of any Reserved Names List and any corresponding administrative mechanisms employed to remove names therefrom, including: the appropriate duration for domain names to remain on the Reserved Names List, whether a priority "redemption period" would be granted to the respondent (before the challenger or a third party may seek registration of the domain name in its name) and if so on what terms, whether any such administrative mechanism would require a panel determination, and the applicable fees.

Publication of Outcome

Consideration should be given to whether the outcome of ESM proceedings and parties' names should be publicly-available, and if so, to what degree inferences may be drawn therefrom in subsequent ESM, UDRP, or other proceedings.

[End of Attachment]