

Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

Twenty-Seventh Session

Geneva, September 18 to 21, 2012

UPDATE ON TRADEMARK-RELATED ASPECTS OF THE EXPANSION OF THE DOMAIN NAME SYSTEM

Document prepared by the Secretariat

INTRODUCTION

1. At the twenty-sixth session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), the Summary by the Chair, document SCT/26/8 at paragraph 12, noted that the Chair concluded that the Secretariat was requested to prepare a document for the twenty-seventh session of the SCT that would provide an update on developments in the context of the expansion of the Domain Name System (DNS) planned by the Internet Corporation for Assigned Names and Numbers (ICANN). The requested update is set out below¹:

2. Two policy developments in relation to ICANN will in particular present not only opportunities but also serious legal and practical challenges for owners and users of intellectual property rights. One of these is the exponential introduction of over one thousand new gTLDs, for which preparations are presently underway. Such new generic top-level domains (gTLDs) may be of an “open” nature (similar to .com), or may take on more specific or restrictive characteristics, for example taking the form of .[city], .[community], .[brand], .[language], .[culture], or .[industry]. A second development of importance concerns the introduction of internationalized domain names (IDNs) at the top level. In terms of DNS policy, another subject of note consists of an ICANN plan for a largely registration-business driven effort to revise the UDRP. Also, ICANN’s envisaged expansion of the DNS raises rights protection questions in connection with the Second WIPO Internet Domain Name Process.

A. NEW GENERIC TOP-LEVEL DOMAINS

3. ICANN implementation of its New gTLD Program was formally approved in a Board vote at ICANN's Meeting in Singapore on June 20, 2011². Information about the adopted application process and conditions for new gTLDs has been published in ICANN's "Applicant Guidebook", which has gone through a series of drafts over the past few years³. ICANN received applications for new gTLDs (including IDNs; see discussion in paragraphs 17 and 18 herein) from January to May 2012. The first ICANN-approved new gTLDs are expected to become operational in early 2013, followed, where applicable, by registrations of individual domain names (further application rounds are expected in due course).

4. By way of background on ICANN's New gTLD Program, ICANN's policy-making body, the Generic Names Supporting Organization (GNSO) in September 2007 issued a set of recommendations (approved by ICANN's Board in June 2008) to implement a process to allow for the introduction of further new gTLDs. These GNSO recommendations include *inter alia* a recommendation that new gTLD strings must not infringe existing legal rights of others that are recognized or enforceable under internationally recognized principles of law, *e.g.*, trademark and freedom of expression rights⁴. On its part, ICANN's Governmental Advisory Committee (GAC) issued in 2007 a set of "GAC Principles regarding New gTLDs" which state *inter alia* that "[the] process for introducing new gTLDs must make proper allowance for prior third party rights, in particular trademark rights as well as rights in the names and acronyms of inter-governmental organizations (IGOs)⁵."

5. Subsequent discussions of ICANN's New gTLD Program, and within that, trademark Rights Protection Mechanisms (RPMs), have been contentious. The WIPO Arbitration and Mediation Center (the Center) has been actively monitoring the development of the various RPMs resulting from such ICANN discussions⁶, consistently providing targeted input to ICANN in an attempt to help it develop workable solutions to the issue of trademark protection in new gTLDs. Ultimately though, after a series of ICANN committees and processes, the RPMs available for approved new gTLDs are seen to have been diluted in their intended effectiveness, both in operational and substantive terms⁷.

6. Based on its DNS experience, in particular in the design and implementation of trademark-based RPMs, the Center's contributions to ICANN have focused on enhancing the overall workability of such mechanisms – for all stakeholders⁸. Such contributions take account of the fact that the current design of ICANN's new gTLD RPMs substantially reflects the input of ICANN's own contracting parties, namely registries and registrars. The Center remains committed to working with stakeholders to attempt to safeguard the observance of general principles of IP protection in any new gTLDs ultimately approved by ICANN. Set out below is a broad description of the RPMs adapted and adopted by ICANN, in relation to the top level and the second level respectively.

(i) Top Level Rights Protection Mechanisms

- Pre- (TLD) Delegation Dispute Resolution Procedure

7. The Center replied to ICANN's December 2007 request for "Expressions of Interest from Potential Dispute Resolution Service Providers for New gTLD Program" in relation to a number of RPMs, including a pre-delegation procedure for "Legal Rights Objections" (other objection grounds recognized by ICANN are: "String Confusion Objections", "Community Objections", and "Limited Public Interest Objections⁹"). The substantive criteria for this Legal Rights Objections procedure are rooted in the "WIPO Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet¹⁰" (Joint Recommendation) adopted by the WIPO General Assembly in September 2001.

8. In addition to the adoption of these criteria, the Center has also assisted ICANN in its development of procedural rules for Legal Rights Objections as integrated in ICANN's Applicant Guidebook¹¹. The pre-delegation proposal has met with broad support, and the Center will exclusively administer such disputes, at least for the first application round¹². While, consistent with the Joint Recommendation, the prime focus of pre-delegation Legal Rights Objections concerns trademarks, following Center communications on the subject, ICANN also foresees an option for IGOs to object to an applied-for gTLD which they believe may infringe their rights (see paragraphs 21 to 24 herein). The Center has been working with ICANN towards the implementation of the pre-delegation procedure in 2012.

- Post- (TLD) Delegation Dispute Resolution Procedure

9. From early 2008, the Center has raised with ICANN the potential usefulness of a permanent administrative option, additional to the pre-delegation procedure described in the preceding paragraph, that would allow for the filing of a complaint with respect to an approved new gTLD registry operator whose manner of operation or use of its registry is alleged to cause or materially contribute to trademark abuse. In early 2009, the Center communicated to ICANN a concrete substantive proposal for such a trademark-based post-delegation dispute resolution procedure. The proposal also seeks to reduce burdens associated with anticipated levels of trademark infringement by facilitating additional registry-adopted enforcement options¹³. The intent behind this proposal was to offer standardized assistance to ICANN's own compliance oversight responsibilities, by providing an administrative alternative to court litigation, encouraging responsible conduct by relevant actors. This includes the provision of safe harbors for *bona fide* registry operators in a *quasi* public-private partnership¹⁴.

10. Following various ICANN committee processes and consultations with registry operators, the effectiveness of this Post-Delegation Dispute Resolution Procedure (PDDRP) in the form adopted by ICANN remains uncertain, in particular given the addition of overlapping procedural layers, and issues concerning the intended substantive scope of this mechanism.

(ii) Second Level Rights Protection Mechanisms

- Trademark Clearinghouse

11. ICANN's New gTLD Program includes a "Trademark Clearinghouse" as a centralized repository of authenticated trademark data which could be invoked as the basis for filing under new gTLD RPMs¹⁵. The adoption of this concept involved extensive ICANN discussions *inter alia* concerning the relation to trademark office determinations. The Center has commented that any such Clearinghouse should not unfairly burden rights holders in the treatment of trademark registrations legitimately obtained through examination and registration systems as applied in many global jurisdictions, and that, if and where appropriate, practical measures may be envisaged to identify any allegedly inappropriate invocation of rights in specific contexts.

12. ICANN's current formulation of the Clearinghouse would purport to allow for inclusion of all nationally or regionally registered word marks, any word marks protected by statute or treaty or validated by court, and "[o]ther marks that constitute intellectual property" (the latter being undefined). With respect to RPMs utilizing Clearinghouse data, ICANN currently proposes to limit the availability of "Sunrise" services (*i.e.*, an opportunity for a trademark owner, for a fee, to preemptively register an exact match of its mark as a domain name) to those trademarks for which current use can be demonstrated. On the other hand, owners of trademarks not substantiated by demonstration of current use would still be eligible to participate in a time-limited 60-day "Claims" service (*i.e.*, notice to a potential domain name registrant of the existence of a potentially conflicting trademark right). Both Sunrise and Claims services are presently limited to exact matches of a word mark to a domain name. It is anticipated that such

limitations may give rise to gaming, with attendant financial and enforcement burdens for trademark owners and increased potential for consumer confusion. The demonstration of use required for Sunrise services similarly applies to the invocation of trademarks as a basis for a complaint filed under the “Uniform Rapid Suspension” RPM described below.

- Uniform Rapid Suspension System

13. While the UDRP is to remain an important curative tool for disputes involving the considered transfer of a disputed domain name to the trademark owner, the Center has advocated the introduction of a lighter second-level RPM for appropriate cases. To this end, the Center in April 2009 communicated to ICANN a discussion draft of an “Expedited (Domain Name) Suspension Mechanism”¹⁶. Such draft took account of the need to strike a reasonable balance between the protection of trademark rights recognized by law, the practical interests of good-faith registration authorities to minimize operational burdens, and the legitimate expectations of *bona fide* domain name registrants.

14. ICANN’s New gTLD Program now includes such a UDRP-complementary mechanism. However, as evolved from a sequence of ICANN processes and committees, this Uniform Rapid Suspension (URS) system is viewed by many as having become an overburdened procedure for a limited remedy. For the URS to function as an efficient and enforceable complement to the court-alternative UDRP, a range of issues remain to be addressed¹⁷.

B. ICANN’S PLANNED FUTURE REVISION OF THE WIPO-INITIATED UDRP

15. Accommodating the dynamic development of the DNS, the UDRP has been offering an effective alternative to court litigation for trademark owners, domain name registrants, and registration authorities. Nevertheless, following discussions at which the clear majority of participants were of the opinion that more harm than good could result from any review of the UDRP by ICANN¹⁸, a decision has been taken by ICANN’s GNSO to review the UDRP through a process envisaged to commence within some 18 months following the delegation of the first new gTLDs¹⁹.

16. The UDRP functions today as the remarkable result of care invested by many stakeholders over a dozen years, for public and private benefit. By accommodating evolving norms and practices, the UDRP has proven to be a flexible and fair dispute resolution system. Given ICANN’s institutional structure, where IP holds a mere minority vote, it appears likely that such a review would end up weakening the foundation and functioning of the UDRP. The Center actively follows ICANN stakeholders’ intentions with regard to the UDRP.

C. INTERNATIONALIZED DOMAIN NAMES (IDNs)

17. As noted in paragraph 2, another significant policy development in the DNS is the introduction of IDNs (non-Latin script) at the top level. Such introduction connects with ICANN’s New gTLD Program where potential new gTLD applications are expected to be made for IDNs.

18. Separately, ICANN’s Final Implementation Plan for IDN ccTLD Fast Track Process was published on November 16, 2009²⁰. Since then, this has allowed for the introduction of several IDN ccTLDs, associated with the two-letter codes in the ISO 3166-1 standard²¹. Approved requests continue to be delegated into the DNS root zone²².

D. OTHER IDENTIFIERS

19. In addition to and in connection with the above, there are further developments taking place at ICANN in relation to the protection of non-trademark identifiers.

20. It is recalled that the First WIPO Internet Domain Name Process addressed the relationship between domain names and trademarks. The Second WIPO Internet Domain Name Process concerned the relationship between domain names and five other types of identifiers that had not been addressed, namely, International Nonproprietary Names for pharmaceutical substances (INNs), the names and acronyms of IGOs, personal names, geographical identifiers, including country names, and trade names.

21. At its meeting from September 23 to October 1, 2002, the WIPO General Assembly recommended amending the UDRP in order to provide protection for country names and for the names and acronyms of IGOs²³. The WIPO Secretariat transmitted these recommendations (WIPO-2 Recommendations) to ICANN in February 2003²⁴.

22. Following further WIPO communications, in a letter of March 2006²⁵, the then President and CEO of ICANN informed the Secretariat that it had not been possible to achieve a consensus among the various constituencies of ICANN. However, while expressing doubts about the options for moving forward with the WIPO-2 Recommendations as a whole, the letter indicated that progress might be possible with regard to the protection of names and acronyms of IGOs for which an established basis exists in international law.

23. In June 2007, ICANN Staff produced an Issues Report on Dispute Handling for IGO Names and Abbreviations²⁶, recommending not to initiate a process on the issue of the protection of IGO names and acronyms, but rather, to consider a dispute resolution policy covering such identifiers at the second level in any new gTLDs. In June 2007, the GNSO requested ICANN Staff to provide a report on a draft IGO Domain Name Dispute Resolution Procedure, primarily foreseen for new gTLDs. Such Report was produced by ICANN Staff in September 2007²⁷, but has not been adopted by the GNSO.

24. In the context of its now adopted New gTLD Program, ICANN appears to have limited its current consideration of the protection of the names and acronyms of IGOs to providing potential recourse through the pre-delegation objection procedure concerning the top level (*i.e.*, an applied-for TLD), discussed in paragraphs 7 and 8 above²⁸. ICANN and GAC consideration of the protection of such identifiers at the second level remains outstanding.

25. Concerning geographical terms, ICANN's GAC, in particular, has expressed concerns about their protection in the new gTLDs. In 2007 it issued the "GAC Principles regarding New gTLDs²⁹", which states *inter alia* that ICANN should avoid delegation of new gTLDs concerning country, territory or place names, and regional language or people descriptions, unless in agreement with the relevant governments or public authorities. Those GAC Principles further stated that new registries should adopt procedures for blocking/challenge of names with national or geographic significance at the second level upon demand of governments.

26. Concerning the top level, ICANN's Applicant Guidebook foresees that "applications for strings that are country or territory names will not be approved, as they are not available under the New gTLD Program in this application round³⁰." Applied-for strings which are considered by ICANN to be certain other geographic names, *e.g.*, capital city names, would need to be accompanied by documentation of support or non-objection from the relevant governments or public authorities³¹. Concerning second-level registrations, ICANN's base registry agreement includes a "Schedule of Reserved Names at the Second Level in gTLD Registries" which makes provision for certain country and territory names³².

27. Overall, the Center has endeavored to apprise relevant sectors within the Secretariat on the above-mentioned matters, including in support of the work of the SCT³³. The agenda of the twenty-seventh session of the SCT includes an update on developments in the context of the expansion of the DNS planned by ICANN. The Center's consultation within the Secretariat also includes the substantive basis for the RPMs discussed in the present document. This notably includes the appropriate scope of the pre- and post-delegation dispute resolution mechanisms discussed in paragraphs 7 to 10, against the backdrop of broader developments in relation to Internet intermediaries.

28. The Secretariat will continue to monitor these developments and provide input where possible.

29. *The SCT is invited to take note of the contents of this document.*

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¹ This update forms part of document WO/GA/41/17.

² See <http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>. For further background including references, see document WO/GA/39/10, in particular paragraph 14.

³ ICANN's current Applicant Guidebook is available at <http://newgtlds.icann.org/en/applicants/agg>.

⁴ See <http://gnso.icann.org/issues/new-gtlds/pdp-dec05-fr-parta-08aug07.htm>.

⁵ See

https://gacweb.icann.org/download/attachments/1540128/gTLD_principles_0.pdf?version=1&modificationDate=1312358178000.

⁶ See <http://www.wipo.int/amc/en/domains/newgtld/>.

⁷ For further background including references, see document WO/GA/39/10, in particular paragraphs 23-30.

It is noted here that ICANN summarily rejected a proposal for a "Globally Protected Marks List".

⁸ A full record of the Center's public communications with ICANN in this regard are available at:

<http://www.wipo.int/amc/en/domains/resources/icann/>.

⁹ The Applicant Guidebook further foresees a number of other procedures which governments may avail themselves of following ICANN announcement of new gTLD applications. Notably, section 1.1.2.4 provides for "GAC Early Warning," and section 1.1.2.7 provides for "Receipt of GAC Advice on New gTLDs" for the ICANN Board's consideration.

¹⁰ See http://www.wipo.int/about-ip/en/development_iplaw/pub845-toc.htm.

See section 3.2 of the ICANN Applicant Guidebook.

¹² See WIPO Rules for New gTLD Dispute Resolution, and Schedule of Fees and Costs, respectively at <http://www.wipo.int/amc/en/docs/wipolorules.pdf>, and <http://www.wipo.int/amc/en/domains/lro/fees/>.

¹³ See <http://www.wipo.int/amc/en/docs/icann130309.pdf>.

¹⁴ Given the perceived convergence of registry, registrar, and registrant roles within the DNS, the Center has further recommended, *inter alia* taking account of its UDRP-based experiences, and ICANN's decision to allow for cross-ownership between registries and registrars (see <http://www.icann.org/en/minutes/resolutions-05nov10-en.htm>), that ICANN consider extending the PDDRP for registries also to registrar conduct (see, *inter alia*, <http://www.wipo.int/amc/en/docs/icann260310rap.pdf>).

¹⁵ In June 2012, ICANN announced its selection of Trademark Clearinghouse Service Providers, see <http://www.icann.org/en/news/announcements/announcement-3-01jun12-en.htm>

¹⁶ See <http://www.wipo.int/amc/en/docs/icann030409.pdf>.

¹⁷ An extensive inventory of these issues is provided *inter alia* in the Center's letter of December 2, 2010, available at <http://www.wipo.int/amc/en/docs/icann021210.pdf>. A number of these have been on the agenda of ICANN's June 2012 Prague Meeting.

¹⁸ See <https://community.icann.org/display/gnsoudrpd/ Webinar+on+the+Current+State+of+the+UDRP>; see also more generally document WO/GA/39/10, paragraph 31.

¹⁹ See <http://gnso.icann.org/meetings/minutes-council-15dec11-en.htm>.

²⁰ See <http://www.icann.org/en/topics/idn/fast-track/idn-cctld-implementation-plan-16nov09-en.pdf>.

²¹ See http://www.iso.org/iso/english_country_names_and_code_elements.

²² See <http://www.icann.org/en/topics/idn/fast-track/>.

²³ See http://www.wipo.int/edocs/mdocs/govbody/en/wo_ga_28/wo_ga_28_3.pdf; see also documents SCT/9/8, paragraphs 6 to 11; and, SCT/9/9, paragraph 149.

²⁴ See <http://www.wipo.int/amc/en/docs/wipo.doc>.

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²⁵ A similar letter was sent to the then Chairman of the GAC. It is posted on ICANN's web site at: <http://www.icann.org/correspondence/twomey-to-tarmizi-13mar06.pdf>.

²⁶ GNSO Issues Report on Dispute Handling for IGO Names and Abbreviations is posted on ICANN's web site at: <http://gns0.icann.org/issues/igo-names/issues-report-igo-drp-15jun07.pdf>.

²⁷ See <http://gns0.icann.org/drafts/gns0-igo-drp-report-v2-28sep07.pdf>.

²⁸ Following interventions *inter alia* by the GAC, ICANN has agreed, at least for the first application round, not to admit third-party applications for new gTLDs that would match certain terms associated with the International Federation of Red Cross and Red Crescent Societies (Red Cross) and the International Olympic Committee (IOC), in a number of languages. The stated basis for such limitation to these two entities appears to be a GAC view that these entities uniquely enjoy “two-tiered” protection both at treaty level (*i.e.*, the Geneva Conventions and the Nairobi Treaty respectively) and through national statutes in multiple jurisdictions. (As to protection against second-level registrations of these terms in new gTLDs, discussions are ongoing amongst the GAC and GNSO.) This asserted distinction has been the subject of two letters submitted by IGO Legal Counsels in December 2011 and May 2012 to the GAC, and has also been on the agenda at ICANN's Prague Meeting in June 2012. At least for the first application round, ICANN appears not to foresee protection for IGO names/acronyms at the top level.

²⁹ See http://gac.icann.org/web/home/gTLD_principles.pdf.

³⁰ See <http://www.icann.org/en/topics/new-gtlds/rfp-redline-30may11-en.pdf>, from section 2.2.1.4.1 “Treatment of Country or Territory Names”.

³¹ See <http://www.icann.org/en/topics/new-gtlds/rfp-redline-30may11-en.pdf>, from section 2.2.1.4.2 “Geographic Names Requiring Government Support”. For objections by governments more generally, see endnote 9, *supra*.

³² See <http://www.icann.org/en/topics/new-gtlds/agreement-specs-redline-30may11-en.pdf>, at Specification 5.

³³ See *e.g.*, documents SCT/24/4, SCT 25/3, and SCT 26/6 available at

http://www.wipo.int/edocs/mdocs/sct/en/sct_24/sct_24_4.pdf,

http://www.wipo.int/edocs/mdocs/sct/en/sct_25/sct_25_3.pdf, and

http://www.wipo.int/edocs/mdocs/sct/en/sct_26/sct_26_6.pdf respectively.