

ASSOCIATION DES INDUSTRIES DE MARQUE
EUROPEAN BRANDS ASSOCIATION
EUROPÄISCHER MARKENVERBAND

AIM[®] POSITION PAPER



TRADE MARKS AND THE INTERNET –
AIM SUBMISSION TO WIPO'S
STANDING COMMITTEE ON
TRADEMARKS (SCT)



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Trade marks and the Internet – AIM submission to WIPO’s Standing Committee on Trademarks (SCT)

Background

AIM, the European Brands Association, has played a leading role in Internet governance by its participation in ICANN (the Internet Corporation for Assigned Names and Numbers) since ICANN’s establishment in 1999. AIM has been a member of the ICANN GNSO Business Constituency since its founding and has chaired ICANN’s policy council. Over this time AIM has witnessed much to like and equally much to be concerned about with respect to trade marks and the Internet. This paper makes proposals for a high-level change in ICANN’s mission to clarify its role as a guardian of the public interest, of which trade marks are a significant part. In the latter section of the paper AIM makes specific proposals for change in the context of the current unlimited expansion of domain names being initiated by ICANN.

1. ICANN’s role as a guardian of the public’s trust

Cybersquatting, phishing and fraud have increased under ICANN’s watch. The Internet is a potentially dangerous place to conduct business. ICANN’s Board is obligated under its by-laws and the more recent Affirmation of Commitments to introduce competition that is in the public interest and to promote consumer trust.

Core value 6: Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest.

<http://www.icann.org/en/general/bylaws.htm>

ICANN affirms to: “(a) ensure that decisions made related to the global technical coordination of the DNS are made in the public interest and are accountable and transparent; (b) preserve the security, stability and resiliency of the DNS; (c) promote competition, consumer trust, and consumer choice in the DNS marketplace; and (d) facilitate international participation in DNS technical coordination”.

<http://www.icann.org/en/affirmation/>

AIM believes that ICANN has focused **too much** on creating new commercial opportunities (in the pursuit of its competition objective) and focused **too little** on its obligations to act in the public interest and to promote consumer trust.

To date it is trade mark owners that have borne the costs of defending the public interest and enhancing consumer trust by costly defensive registrations and UDRP actions. These are costs that are an externality to the business model of the registry but borne by third parties.

The future looks even bleaker. Recommendations from an ICANN intellectual property expert group (the IRT) set out to act in the public interest and enhance trust but the outcome in the latest version of the ICANN guidebook for new domain name applicants (the DAG4) is weak.

AIM is concerned that the ICANN Board is therefore not fulfilling its role as a guardian of the public’s trust.

2. What remedial action can be taken to restore public trust? High-level changes

AIM proposes that WIPO's SCT recommend a rewrite of ICANN's mission statement to prioritise the public interest over and above commercial interest. This rewrite will incorporate the Affirmation of Commitments language into ICANN's by-laws and help give the volunteer ICANN Board a better sense of priority.

Old	New
Mission	
<p>In particular, ICANN:</p> <ol style="list-style-type: none"> 1. Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are <ol style="list-style-type: none"> a. Domain names (forming a system referred to as "DNS"); b. Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and c. Protocol port and parameter numbers. 2. Coordinates the operation and evolution of the DNS root name server system. 3. Coordinates policy development reasonably and appropriately related to these technical functions. 	<p>In particular, ICANN:</p> <ol style="list-style-type: none"> 1. Coordinates policy development that is in the public interest and that ensures consumer trust related to the allocation and assignment of : <ol style="list-style-type: none"> a. Domain names (forming a system referred to as "DNS"); b. Internet protocol ("IP") addresses and autonomous system ("AS") numbers; and c. Protocol port and parameter numbers. 2. Coordinates the operation and evolution of the DNS root name server system.
Core Values	
<p>In performing its mission, the following core values should guide the decisions and actions of ICANN:</p>	(Note new ordering)
<ol style="list-style-type: none"> 5. Where feasible and appropriate, depending on market mechanisms to promote and sustain a competitive environment. 	<ol style="list-style-type: none"> 1. Promoting consumer trust and consumer choice.
<ol style="list-style-type: none"> 6. Introducing and promoting competition in the registration of domain names where practicable and beneficial in the public interest. 	<ol style="list-style-type: none"> 2. Promoting competition in the registration of domain names which is always in the public interest.
	<ol style="list-style-type: none"> 3. Ensuring that the full range of economic costs that flow from policies implemented by ICANN are borne primarily by those who benefit from those policies.
	Then the existing core values follow.
<ol style="list-style-type: none"> 1. Preserving and enhancing the operational stability, reliability, security, and global interoperability of the Internet. 	

2. Respecting the creativity, innovation, and flow of information made possible by the Internet by limiting ICANN's activities to those matters within ICANN's mission requiring or significantly benefiting from global coordination.	
3. 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.	
4. Seeking and supporting broad, informed participation reflecting the functional, geographic, and cultural diversity of the Internet at all levels of policy development and decision-making.	
7. Employing open and transparent policy development mechanisms that (i) promote well-informed decisions based on expert advice, and (ii) ensure that those entities most affected can assist in the policy development process.	
8. Making decisions by applying documented policies neutrally and objectively, with integrity and fairness.	
9. Acting with a speed that is responsive to the needs of the Internet while, as part of the decision-making process, obtaining informed input from those entities most affected.	
10. Remaining accountable to the Internet community through mechanisms that enhance ICANN's effectiveness.	
11. While remaining rooted in the private sector, recognizing that governments and public authorities are responsible for public policy and duly taking into account governments' or public authorities' recommendations.	

3. What remedial action can be taken to restore public trust? Detailed changes in the context of new top-level domain names (TLDs)

ICANN plans an unlimited expansion of new top-level domain names (TLDs) in 2010 and beyond, and developed a process to assess applications for new TLDs with tests for financial and technical robustness. Because the potential impact on trade marks was not sufficiently taken into account the ICANN Board established a small group in March 2009: the Implementation Recommendation Team (IRT). It was charged to produce (in a short time frame) trade mark protection measures suitable for immediate implementation as part

of the new TLD application process. The IRT published its first draft report in April 2009 and its final report on 29 May 2009.

The report has five proposals:

1. IP Clearinghouse, Globally Protected Marks List and associated rights protection mechanisms, and standardized pre-launch rights protection mechanisms;
2. Uniform Rapid Suspension System (“URS”);
3. Post delegation dispute resolution mechanisms at the top level;
4. Whois requirements for new TLDs;
5. Use of algorithm in string confusion review during initial evaluation.

AIM supports the general drift of proposals in this report. But the ICANN Board has NOT implemented them all or has overseen a weak implementation.

3.1. Trademark Clearinghouse – fails to solve the problem it was intended to address

DAG4 specification 7 page 56 and beyond

Brand owners are faced with a poor choice: spend money uselessly in more defensive registrations or suffer from the loss of consumer trust resulting from infringement of their brands. The past tells us that the existing rights protection mechanisms are insufficient. The future will only be worse unless action is taken.

The current proposal for a Trademark Clearinghouse is that it is not a rights protection mechanism but only a database. Without the link to the IRT proposal of the Globally Protected Marks List (GPML) it does not address the trade mark issues the Board intended to address.

Specific issues

3.1.1 Clarify terminology.

The terminology “substantive review” or “substantive examination” is vague and ill-defined with respect to what trade mark offices actually do. A better wording to capture the same intent with respect to generics is “[examination on absolute grounds.](#)”

3.1.2 Remove an arbitrary discrimination.

Nevertheless AIM opposes the fact DAG4 proposes a different standard for the claims service and sunrise. This difference is discriminatory and arbitrary. It assumes there are different qualities of trade mark. There are not: trade mark offices adopt procedures that suit their country balancing cost, speed and contribution to innovation.

AIM proposes that the requirement for registries for claims and sunrise should be the same and as follows:

[For Trademark Claims and Sunrise services - Registries must recognize all text marks that have been or are:](#)

- (i) [nationally or multi-nationally registered; or](#)
- (ii) [court-validated; or](#)
- (iii) [protected by a statute or treaty currently in effect and that was in effect on or before 26 June 2008.](#)

3.1.3 A better definition of identical match to catch bad faith

Widen the definition of "identical match" to encompass "obvious misspellings" eg Google, Coca-Cola and combinations including the original trade mark eg "Googlesearch". This approach is current practice in some trade mark offices.

3.2 Uniform Rapid Suspension System (URS)

The UDRP was set up to resolve disputes between two parties acting in good faith (at least in part).

The URS is intended to remove a web site registered by a criminal from causing more harm.

DAG4 confuses these two objectives.

The URS has the potential to be an important remedy to fight fraud. DAG4 has rendered it useless. Its intent is a public interest objective to immediately take down a web site that is being used to conduct crime. The expectation is that once a complaint is made there will NOT be any reaction from the criminal.

Required improvements

AIM proposes a simplified system targeted at the criminal based on the following presumptions:

- a) a Complainant acts in good faith
- b) a silent Registrant acts in bad faith
- c) a Registrant that reacts to a suspended web site is assumed to be in good faith.

3.2.1 A URS decision should be binding for life not a few months

The current URS remedy is to block a domain and later release it. This is absurd as it will perpetuate a cycle of cyber-squatting.

3.2.2 Reduced scope of the URS provider

The URS provider acts as a rapid check on the apparent bona fides of the Complainant and the conduit between the Complainant and the Registry.

3.2.3 Dramatically reduce the timelines

Complaint starts.

24 hours URS validates bona fides of the complaint and notifies the Registry.

24 hours The Registry notifies the Registrant that it will act to lock and then prevent resolution of the web site in 24 hours.

This will thus STOP the criminal act being conducted. This will cover probably 99% of URS cases.

In the unlikely case that the registrant reacts within the 24 hours the presumption of bad faith should be reversed and the web site should be immediately allowed to resolve again.

AIM proposes defining registrant reacts as:

- 1) confirmation of registrant data AND
- 2) a statement that the complaint is or is not valid.

3.2.4 Turn over any good faith dispute to a UDRP

If the registrant reacts (as defined above) the Registry notifies the URS provider who notifies the Complainant (within 24 hours) and the URS finishes. At that point the complainant should then be invited to instead launch a de novo UDRP.

AIM

AIM is the European Brands Association. It represents the branded goods industries in Europe on key issues which affect the ability of brand manufacturers to design, distribute and market their brands. AIM's membership groups 1800 companies of all sizes through corporate members and national associations in 22 countries. These companies are mostly active in every day consumer goods. They employ some two million workers and account for over 350 billion Euro in annual sales in Europe alone. AIM's mission is to create for brands an environment of fair and vigorous competition, fostering innovation and guaranteeing maximum value to consumers now and for generations to come.

Our corporate members include: Bacardi-Martini ▼ Barilla ▼ Beiersdorf ▼ Bongrain ▼ Cadbury ▼ Campbell Europe ▼ Coca-Cola ▼ Colgate-Palmolive ▼ Danone ▼ Diageo ▼ Energizer ▼ Ferrero ▼ Freudenberg/Vileda ▼ Georgia Pacific ▼ GlaxoSmithKline ▼ Heineken ▼ Heinz ▼ Henkel ▼ Johnson & Johnson ▼ Kraft Foods ▼ Kellogg ▼ Kimberly-Clark ▼ Leaf Holland ▼ Lego ▼ Lindt & Sprüngli ▼ LVMH ▼ Mars ▼ McCain Foods ▼ McCormick ▼ Nestlé ▼ Oetker International ▼ L'Oréal ▼ Pepsi-Cola ▼ Pernod Ricard ▼ Philips Lighting ▼ Procter & Gamble ▼ Reckitt-Benckiser ▼ Royal Friesland Foods ▼ Sara Lee / DE ▼ SCA Hygiene Products ▼ SC Johnson ▼ Unilever

Our national association members include: Austria Markenartikelverband ▼ Belgilux BABM ▼ Czech Republic CSZV ▼ Denmark DLF ▼ Finland FFDIF ▼ France ILEC ▼ Germany Markenverband ▼ Greece Ελληνικός Σύνδεσμος Βιομηχανικών Επωδυμένων Προϊοντών ▼ Hungary Márkás Termékeket Gyártók Magyarországi Egyesülete ▼ Ireland Food & Drink Federation ▼ Italy Centromarca ▼ The Netherlands FNLI ▼ Norway DLF ▼ Poland Pro-marka ▼ Portugal Centromarca ▼ Russia RusBrand ▼ Spain Promarca ▼ Slovakia SZZV ▼ Sweden DLF ▼ Switzerland Promarca ▼ United Kingdom British Brands Group