

**TRADEMARK POST-DELEGATION DISPUTE RESOLUTION PROCEDURE  
(TRADEMARK PDDRP)  
REVISED – FEBRUARY 2010**

**INTRODUCTION**

Several community participants, including the Implementation Recommendation Team (IRT) and the World Intellectual Property Organization (WIPO) suggested that one of the rights protection mechanisms (RPM) for trademark holders should be a trademark post-delegation dispute resolution procedure (Trademark PDDRP). Various recommendations as to how such a process would be implemented have been discussed. One point that seems to be generally accepted, is that such a procedure should only afford trademark holders the right to proceed against registry operators who have acted in bad faith, with the intent to profit from the systemic registration of infringing domain names (or systemic cybersquatting) or who have otherwise set out to use the gTLD for an improper purpose. The procedure is not intended to apply to a registry operator that simply happens to have infringing domain names within its gTLD.

Some have expressed concerns that a post-delegation procedure challenging registry operator conduct might confer third-party beneficiary rights upon non-signatories to the Registry Agreement. Further, questions have arisen as to the rights of bona fide registrants (and applicability of remedies to registrars) if they are not a party to the post-delegation dispute resolution proceedings. Such concerns are understood and can be addressed differently for alleged violations of trademark rights at the top level and for such alleged violations at the second level.

It is important to note that this Trademark PDDRP is not intended to replace ICANN's contractual compliance responsibilities. ICANN will continue to pursue its contractual compliance activities and enforcement for all of its contracted parties. This Trademark PDDRP is meant to enhance such activities and provide ICANN with independent judgment when required.

At the top level, the rights of a trademark holder to proceed against a gTLD operator for trademark infringement exist separate and apart from any contract between ICANN and a registry operator. The Trademark PDDRP simply provides a limited avenue in which to pursue rights that already exist.

This revised Draft Trademark PDDRP incorporates revisions attempting to address concerns and suggestions that have been raised. In order to balance competing comments and efficiencies, however, not all suggested revisions have been, or could have been, adopted. In additions to the revisions below, please see the summary of comments and analysis in response to public comments made to the initial Trademark PDDRP posted with version 3 of the Applicant Guidebook. Still under consideration is whether this procedure and the Registry Restrictions Dispute Resolution Procedure can be combined as one.

## **DRAFT PROCEDURE**

### **Parties to the Dispute**

- The parties to the dispute will be the trademark holder and the gTLD registry operator. (Although there has been some suggestion that prior to commencing such a procedure, that ICANN first be notified and asked to investigate, from a practical standpoint, it does not make sense to add this layer to the procedure. It would unnecessarily slow the process.)

### **Applicable Rules**

- This procedure is intended to cover Trademark post-delegation dispute resolution proceedings generally. To the extent more than one Trademark PDDRP provider (Provider) is selected to implement the Trademark PDDRP, each Provider may have additional rules that must be followed when filing a Complaint. The following are general procedures to be followed by all Providers.
- In the Registry Agreement, the registry operator agrees to participate in all post-delegation procedures and be bound by the resulting Determinations.

### **Language**

- The language of all submissions and proceedings under the procedure will be English.
- Parties may submit supporting evidence in their original language, provided and subject to the authority of the panel to determine otherwise, that such evidence is accompanied by an English translation of all relevant text.

### **Communications and Time Limits**

- All communications with the Provider must be submitted electronically.
- For the purpose of determining the date of commencement of a time limit, a notice or other communication will be deemed to have been received on the day that it is transmitted.
- For the purpose of determining compliance with a time limit, a notice or other communication will be deemed to have been sent, made or transmitted on the day that it is dispatched.
- For the purpose of calculating a period of time under this procedure, such period will begin to run on the day following the date of receipt of a notice or other communication.
- All references to day limits shall be considered as calendar days unless otherwise specified.

## Standing

- The mandatory administrative proceeding will commence when a third-party has filed a Complaint with a Provider asserting that the Complainant is a trademark holder (which may include either registered or unregistered marks) claiming to have been injured by the registry operator's manner of operation or use of the gTLD.
- The Provider shall perform an initial "quick look" review to ascertain, before a Response is due, that the Complainant is in fact a trademark holder. (Explanatory Note: This quick look process, inserted in response to public comment as a measure to screen out frivolous Complaints, is still under development.)
- If the Provider finds that the Complainant is not a trademark holder, the Provider will end the proceedings on the grounds that the Complainant lacks standing.

## Standards<sup>1</sup>

(Explanatory Note: Parties have suggested that registry operators be held liable for infringing conduct within their registry both at the top level and the second level. Contemplation of holding registry operators accountable for registrations in its gTLD has resulted in a number of comments regarding the standard to be applied to the registry operator, whether intervention rights should be permitted, and whether the net result of extension to the second level has a *de facto* effect of requiring registries to police all domain names and content of websites for trademark infringement. The standards below take into account the various and often competing comments and suggestions.)

- **Top Level:**

A complainant must assert and prove, by clear and convincing evidence, that

*the registry operator's affirmative conduct in its operation or use of its gTLD string that is identical or confusingly similar to the complainant's mark, causes or materially contributes to the gTLD doing one of the following:*

*(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.*

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<sup>1</sup> This section was moved to this placement and slightly reformatted. Only the parts that have been revised, and not those that have been reformatted, are reflected in redline.

An example of infringement at the top-level is where a TLD string is identical to a trademark and then, contrary to declared intentions not to infringe the rights of the mark holder, the registry operator holds itself out as the beneficiary of the mark.

- **Second Level**

Complainants are required to prove, by clear and convincing evidence that, through the registry operator's affirmative conduct:

*(a) there is a substantial pattern or practice of specific bad faith intent by the registry operator to profit from the sale of trademark infringing domain names; and*

*(b) the registry operator's bad faith intent to profit from the systematic registration of domain names within the gTLD that are identical or confusingly similar to the complainant's mark, which:*

*(i) takes unfair advantage of the distinctive character or the reputation of the complainant's mark; or*

*(ii) unjustifiably impairs the distinctive character or the reputation of the complainant's mark, or*

*(iii) creates an impermissible likelihood of confusion with the complainant's mark.*

In other words, it would not be enough to show that the registry operator was on notice of possible trademark infringement through registrations in the gTLD. An example of infringement at the second level is where a registry operator has a pattern or practice of actively encouraging registrants to register second level domain names and to take unfair advantage of the trademark to the extent and degree that bad faith is apparent.

## **Complaint**

- **Filing:**

The Complaint will be filed electronically. Once reviewed for technical compliance, the Provider will electronically serve the Complaint and serve a paper notice on the registry operator that is the subject of the Complaint consistent with the contact information listed in the Registry Agreement.

- **Content:**

- The name and contact information, including address, phone, and email address, of the Complainant, and, to the best of Complainant's knowledge, the name and address of the current owner of the registration.

- The name and contact information, including address, phone, and email address of any person authorized to act on behalf of Complainant.
- A statement of the nature of the dispute, which should include:
  - The particular legal rights claim being asserted, the marks that form the basis for the dispute and a short and plain statement of the basis upon which the Complaint is being filed.
  - A detailed explanation of how the Complainant's claim meets the requirements for filing a claim pursuant to that particular ground or standard.
  - A detailed explanation of the validity of the Complaint and why the Complainant is entitled to relief.
  - Copies of any documents that the Complainant considers to evidence its basis for relief, including web sites and domain name registrations.
- A statement that the proceedings are not being brought for any improper purpose.
- Complaints will be limited to 5,000 words or 20 pages, whichever is less, excluding attachments, unless the Provider determines that additional material is necessary.
- At the same time the Complaint is filed, the Complainant will pay a non-refundable filing fee in the amount set in accordance with the applicable Provider rules. In the event that the filing fee is not paid within 10 days of the receipt of the Complaint by the Provider, the Complaint will be dismissed without prejudice.

### **Administrative Review of the Complaint**

- All Complaints will be reviewed by the Provider within five (5) business days of submission to the Provider to determine whether the Complaint contains all necessary information and complies with the procedural rules.
- If the Provider finds that the Complaint complies with procedural rules, the Complaint will be deemed filed, and the proceedings will continue. If the Provider finds that the Complaint does not comply with procedural rules, it will dismiss the Complaint and close the proceedings without prejudice to the Complainant's submission of a new Complaint that complies with procedural rules. Filing fees will not be refunded.

- If deemed compliant, the Provider will serve the Complaint on the registry operator.

### **Response to the Complaint**

- The registry operator will file a Response to each Complaint. The Response will be filed within twenty (20) days of service the Complaint. Service will be deemed effective, and the time will start to run, upon confirmation that the electronic Complaint and the written notice was sent by the Provider to the last known address of the registry operator.
- The Response will comply with the rules for filing of a Complaint and will contain the name and contact information for the registry operator, as well as a point by point response to the statements made in the Complaint.
- The Response should be filed with the Provider and Provider should serve it upon the Complainant in electronic form with a hard-copy notice that it has been served. Service of the Response will be deemed effective, and the time will start to run for a Reply, upon confirmation that the electronic Response and hard-copy notice of the Response was sent by the Provider to the addresses provided by the Complainant.
- If the registry operator believes the Complaint is without merit, it will affirmatively plead in its Response the specific grounds for the claim.

### **Reply**

- The Complainant is permitted ten (10) days from Service of the Response to submit a Reply addressing the statements made in the Response showing why the Complaint is not “without merit.”
- Once the Complaint, Response and Reply (as necessary) are filed and served, a Panel will be appointed and provided with all submissions.

### **Default**

- If the registry operator fails to respond to the Complaint, it will be deemed to be in default.
- Limited rights to set aside the finding of default will be established by the Provider, but in no event will they be permitted absent a showing of good cause to set aside the finding of default.
- The Provider shall provide notice of Default via email to the Complainant and registry operator.
- All Default cases shall proceed to Determination on the merits.

## **Expert Panel**

- Appropriately qualified panelist(s) will be selected and appointed to each proceeding by the designated Provider within (21) days after receiving the response and/or reply as applicable.
- The Provider will appoint a Panel, which shall consist of one Panel member, unless all parties agree that there should be three Panelists. In the case where all Parties agree to three Panelists, selection of those Panelists will be made pursuant to the Providers rules or procedures.
- Panelists must be independent of the parties to the post-delegation challenge. Each Provider will follow its adopted procedures for requiring such independence, including procedures for challenging and replacing a panelist for lack of independence.

## **Costs**

- The Provider will estimate the costs for the proceedings that it administers under this procedure in accordance with the applicable Provider rules. Such costs will be estimated to cover the administrative fees of the Provider and for the Panel, and are intended to be reasonable.
- The Complaint shall be required to pay the filing fee as set forth above in the “Complaint” section, and shall be required to submit the full amount of the Provider estimated administrative fees and the Panel fees at the outset of the proceedings. Fifty percent of that full amount shall be in cash (or cash equivalent) to cover the Complainant’s share of the proceedings and the other 50% shall be in either cash (or cash equivalent), or in bond, to cover the registry operator’s share if the registry operator prevails.
- After the quick look examination and the Complainant is deemed a trademark holder, the registry operator shall be required to pay 50% of the Provider estimated administrative fees and the Panel fees to cover the registry operator’s share of the proceedings. To the extent the Complainant prevails, the registry operator will be required to pay the remaining 50% to the Provider to cover Complainant’s share of the proceedings. Failure to pay that amount shall be deemed a breach of the registry agreement.
- The Provider shall refund the full amount to the prevailing party, as determined by the Panel.

## **Discovery**

- Whether and to what extent discovery is allowed is at the discretion of the Panel, whether made on the Panel’s own accord, or upon request from the Parties..

- If permitted, discovery will be limited to that for which each Party has a substantial need.
- Without a specific request from the Parties, the Provider may appoint experts to be paid for by the Parties, request live or written witness testimony, or request limited exchange of documents.
- At the close of discovery, if permitted, the Parties will make a final evidentiary submission to the Panel, the timing and sequence to be determined by the Provider in consultation with the Panel.

### **Hearings**

- Disputes under this Procedure will be resolved without a hearing unless, in the discretion of the Panel, extraordinary circumstances require a hearing.
- The Panel may decide on its own initiative, or at the request of a Party, to hold a hearing if, extraordinary circumstances exist. However, the presumption is that the Panel will render Determinations based on written submissions and without a hearing.
- If a request for a hearing is granted, videoconferences or teleconferences should be used if at all possible. If not possible, then the Panel will select a place for hearing if the Parties cannot agree.
- Hearings should last no more than one day, except in the most extraordinary circumstances.
- If the Expert grants one party's request for a hearing, notwithstanding the other party's opposition, the Expert is encouraged to apportion the hearing costs to the requesting party.
- All dispute resolution proceedings will be conducted in English.

### **Burden of Proof**

- The Complainant bears the burden of proving the allegations in the Complaint; the burden should be by clear and convincing evidence.

### **Remedies**

- Since registrants of domain names registered in violation of the agreement restriction are not a party to the action, a recommended remedy cannot take the form of deleting registrations that were made in violation of the agreement restrictions.
- The Panel can recommend a variety of graduated enforcement tools against the registry if it is deemed to be liable under this Trademark PDDRP, including:



- Remedial measures for the registry to employ to ensure against allowing future infringing registrations;
  - Monetary sanctions intended to equal the financial harm to the complainant;
  - Suspension of accepting new domain name registrations in the gTLD until such time as the violation(s) is cured or a set period of time; or, in extraordinary circumstances,
  - Providing for the termination of a Registry Agreement.
- In making its recommendation of the appropriate remedy, the Panel will consider the ongoing harm to the Complainant.
  - While still under consideration, the Panel may also determine whether the Complaint was filed “without merit,” and, if so, award the appropriate sanctions on a graduated scale, including:
    - Temporary bans from filing Complaints;
    - Imposition of costs of registry operator, including reasonable attorney fees;
    - Penalty fees paid directly to Provider;
    - Permanent bans from filing Complaints after being banned temporarily.

### **The Panel Determination**

- The Provider and the Panel will make reasonable efforts to ensure that the Panel Determination is rendered within 45 days of the appointment of the Panel and absent good cause, in no event later than 60 days after the appointment of the Panel.
- The Panel will render a written Determination. The Determination will state whether or not the Complaint is factually founded and provide the reasons for that Determination. The Determination should be publicly available and searchable on the Provider’s web site.
- The Determination will further include a recommendation of specific remedies and state specifically when those remedies should take effect. Costs and fees to the Provider, to the extent not already paid, will be paid within thirty (30) days of the Expert’s Determination.
- While the Panel’s Determination that a registry operator is liable under the standards of the Trademark PDDRP shall be followed absent extraordinary

circumstances, ICANN will review, approve and enforce the recommended remedies found in the Panel Determination, or as those remedies are amended by ICANN given the circumstances of each matter.

**Availability of Court or Other Administrative Proceedings**

- The Trademark PDDRP is not intended as an exclusive procedure and does not preclude individuals from seeking remedies in courts of law, including, as applicable, review of a Determination as to liability.
- In those cases where a Party provides the Provider with documented proof that a Court action was instituted prior to the filing date of the Complaint in the post-delegation dispute proceeding, the Provider may suspend or terminate the post-delegation dispute resolution proceeding.