

DRAFT UNIFORM RAPID SUSPENSION SYSTEM (“URS”) Draft – May 2010

INTRODUCTION

The proposal for establishment of a mandatory Uniform Rapid Suspension System (URS) was among the potential solutions to trademark protections in new gTLDs. It was developed through community consultations, primarily through the recommendations of the Implementation Recommendations Team (see <http://icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>) and others, and feedback gathered in online fora and public meetings. (The Implementation Recommendation Team (IRT) was assembled to help identify and propose rights protection mechanisms (RPMs) for trademark holders within the New gTLD Program <http://www.icann.org/en/minutes/resolutions-06mar09.htm#07>.)

After receiving recommendations from the IRT relating to the proposed URS, extensive comments and consultation with the broader community, a revised proposal for the URS was developed.

Given that the original GNSO Policy direction was very general in nature, the Board provided the GNSO council with the opportunity to offer input on the specific rights protection mechanism of the URS (*SEE <http://gns0.icann.org/mailling-lists/archives/council/msg07609.html>*). The GNSO promptly took on this task and established the Special Trademark Issues Review Team (“STI”) to review the URS proposal and offer its input upon which the GNSO would be able to reach consensus.

While the STI could not reach unanimous consensus on every specific detail, it did reach full consensus on many aspects and broad consensus on many others. The GNSO unanimously approved the implementation of a URS and the GNSO-STI Model (*see <http://www.icann.org/en/announcements/announcement-2-17dec09-en.htm>*).

This version of the Draft URS Procedure is based upon the version of the proposal posted in February 2010. That earlier version largely reflected the recommendations in the GNSO-STI Model. This version incorporates changes based upon comments in the most recent public comment period that closed on 1 April 2010. In balancing competing interests, not all suggested revisions have been, or could have been adopted since they often reflected opposite viewpoints and those viewpoints had been discussed in the IRT and STI.

In addition to the revisions below, please see the summary of comments and analysis in response to public comments made to the URS proposal that was posted before the Nairobi International Public Meeting.

DRAFT PROCEDURE

1. Complaint

1.1 Filing the Complaint

- a) Proceedings are initiated by electronically filing with a URS Provider (Provider) a Complaint outlining the trademark rights and the actions complained of entitling the trademark holder to relief.
- b) Each Complaint must be accompanied by the appropriate fee, which is under consideration. The fees will be non-refundable.
- c) One Complaint is acceptable for multiple related companies against one Registrant, but only if the companies complaining are related. Multiple Registrants can be named in one Complaint only if it can be shown that they are in some way related. There will not be a minimum number of domain names imposed as a prerequisite to filing.

1.2 Contents of the Complaint

The form of the Complaint will be simple and as formulaic as possible. There will be a 5,000 word limit, excluding attachments, for the Complaint. The Complaint must include:

- a) Name, email address and other contact information for the Complaining Party (Parties).
- b) Name, email address and contact information for any person authorized to act on behalf of Complaining Parties.
- c) Name of Registrant (i.e. relevant information available from Whois) and Whois listed available contact information for the relevant domain name(s).
- d) The specific domain name(s) that are the subject of the Complaint. For each domain, the Complainant should include a copy of the currently available Whois information and a description and copy, if available, of the offending portion of the website content associated with each domain name that is the subject of the Complaint.
- e) The specific trademark/service marks upon which the Complaint is based and pursuant to which the Complaining Parties are asserting their rights to them, for which goods and in connection with what services.
- f) A description of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief, namely:

- i. that the registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration;
 - ii. and that the Registrant has no legitimate right or interest to the domain name and;
 - iii. the domain was registered and is being used in bad faith.

- g) A non-exclusive list of circumstances that demonstrate bad faith registration and use by the Registrant include:
 - i. Registrant has registered or acquired the domain name primarily for the purpose of selling, renting or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of documented out-of pocket costs directly related to the domain name; or
 - ii. Registrant has registered the domain name in order to prevent the trademark holder or service mark from reflecting the mark in a corresponding domain name, provided that Registrant has engaged in a pattern of such conduct; or
 - iii. Registrant registered the domain name primarily for the purpose of disrupting the business of a competitor; or
 - iv. By using the domain name Registrant has intentionally attempted to attract for commercial gain, Internet users to Registrant's web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of Registrant's web site or location or of a product or service on that web site or location.

- h) Finally, the Complainant will attest that the Complaint is not being filed for any improper basis and that there is a sufficient good faith basis for filing the Complaint.

2. Fees

Fees will be charged by the URS Provider. Fees are thought to be in the range of USD \$300 per proceeding, but will ultimately be set by the Provider. (The tender offer for potential service providers will indicate that price will be a factor in the award decision.) This is based upon estimation of experts, including panelists making decisions in similar environments and the Nominet Summary Decision model.

A “loser pays” model has not been adopted for the URS. Given the nature of expected disputes through this mechanism, it is thought, more often than not, that no response to complaints will be submitted and the costs of recovering the fees actually received will exceed their value.

3. Administrative Review

- 3.1 Complaints will be subjected to an initial administrative review by the Provider for compliance with the filing requirements. This is a review to determine that the Complaint contains all of the necessary information, and is not a determination as to whether a *prima facie* case has been established.
- 3.2 The Administrative Review shall be conducted within three (3) business days of submission of the Complaint to the Provider.
- 3.3 Given the rapid nature of this Procedure, and the intended low level of required fees, there will be no opportunity to correct inadequacies in the filing requirements.
- 3.4 If a Complaint is deemed non-compliant with filing requirements, the Complaint will be dismissed without prejudice to the Complainant filing a new complaint. The initial filing fee shall not be refunded in these circumstances.

4. Notice and Locking of Domain

- 4.1 Upon completion of the Administrative Review, the URS Provider must first notify the registry operator (via email) (“Notice of Complaint”) within 24 hours after the Complaint has been deemed compliant with the filing requirements. Within 24 hours of receipt of the Notice of Complaint from the URS Provider, the registry operator shall “lock” the domain, meaning the registry shall restrict all changes to the registration data, including transfer and deletion of the domain names, but the name will continue to resolve. The registry operator will notify the URS Provider immediately upon locking the domain name (“Notice of Lock”).
- 4.2 Within 24 hours after receiving Notice of Lock from the registry operator, the URS Provider shall notify the Registrant of the Complaint, sending a hard copy of the Notice of Complaint to the addresses listed in the Whois contact information, and providing an electronic copy of the Complaint, advising of the locked status, as well as the effects if the registrant fails to respond and defend against the Complaint. Notices must be clear and understandable to Registrants located globally. The Notice of Complaint shall be in English and translated by the Provider into the predominant language used in the registrant’s country or territory.

- 4.3 All Notices to the Registrant shall be sent through email, fax (where available) and postal mail. The Complaint and accompany exhibits, if any, shall be served electronically. The URS Provider shall also notify the registrar of record for the domain name at issue via the addresses the registrar has on file with ICANN.

5. The Response

- 5.1 A Registrant will have 20 days from the date the URS Provider sent its Notice of Complaint to the Registrant to electronically file a Response with the Provider. Upon receipt, the Provider will electronically send a copy of the Response, and accompanying exhibits, if any, to the Complainant.
- 5.2 No filing fee will be charged if the Registrant files its Response prior to being declared in default or not more than thirty (30) days following a Determination. For Responses filed more than thirty (30) days after a Determination, the Registrant should pay a reasonable fee for re-examination.
- 5.3 Upon request by the Registrant, a limited extension of time to respond may be granted by the URS Provider if there is a good faith basis for doing so. In no event shall the extension be for more than seven (7) calendar days.
- 5.4 The Response shall be no longer than 5,000 words, excluding attachments, and the content of the Response should include the following:
- a) Confirmation of Registrant data.
 - b) Specific admission or denial of each of the grounds upon which the Complaint is based.
 - c) Any defense which contradicts the Complainant's claims.
 - d) A statement that the contents are true and accurate.
- 5.5 In keeping with the intended expedited nature of the URS and the remedy afforded to a successful Complainant, affirmative claims for relief by the Registrant will not be permitted except for an allegation that the Complainant has filed an abusive Complaint.
- 5.6 Once the Response is filed, and the URS Provider determines that the Response is compliant with the filing requirements of a Response, the Complaint, Response and supporting materials will be sent to a qualified Examiner, selected by the URS Provider, for review and Determination. All materials submitted are considered by the Examiner.
- 5.7 The Response can contain any facts refuting the claim of bad faith registration by setting out any of the following circumstances:
- a) Before any notice to Registrant of the dispute, Registrant's use of, or demonstrable preparations to use, the domain name or a name corresponding

to the domain name in connection with a bona fide offering of goods or services; or

- b) Registrant (as an individual, business or other organization) has been commonly known by the domain name, even if Registrant has acquired no trademark or service mark rights; or
- c) Registrant is making a legitimate or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

Such claims, if found by the Examiner to be proved based on its evaluation of all evidence, shall result in a finding in favor of the Registrant.

5.8 The Registrant may also assert Defenses to the Complaint to demonstrate that the Registrant's use of the domain name is not in bad faith by showing, for example, one of the following:

- a) The domain name is generic or descriptive and the Registrant is making fair use of it.
- b) The domain name sites operated solely in tribute to or in criticism of a person or business that is found by the Examiner to be fair use.
- c) Registrant's holding of the domain name is consistent with an express term of a written agreement entered into by the disputing Parties and that is still in effect.
- (d) The domain name is not part of a wider pattern or series of abusive registrations because the Domain Name is of a significantly different type or character to other domain names registered by the Registrant.

5.9 Other considerations that are examples of bad faith for the Examiner:

- a) Trading in domain names for profit, and holding a large portfolio of domain names, are of themselves not indicia of bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner will review each case on its merits.
- b) Sale of traffic (i.e. connecting domain names to parking pages and earning click-per-view revenue) does not in and of itself constitute bad faith under the URS. Such conduct, however, may be abusive in a given case depending on the circumstances of the dispute. The Examiner will take into account:
 - i. the nature of the domain name;
 - ii. the nature of the advertising links on any parking page associated with the domain name; and

- iii. that the use of the domain name is ultimately the Registrant's responsibility

6. Default

- 6.1 If at the expiration of the 20-day answer period (or extended period if granted), the Registrant does not submit an answer, the Complaint proceeds to Default.
- 6.2 In either case, the Provider shall provide Notice of Default via email to the Complainant and Registrant, and via mail and fax to Registrant. During the Default period, the Registrant will be prohibited from changing content found on the site to argue that it is now a legitimate use and will also be prohibited from changing the Whois information.
- 6.3 All Default cases proceed to Examination for review on the merits of the claim.
- 6.4 If after Examination in Default cases, the Examiner rules in favor of Complainant, Registrant shall have the right to seek relief from Default via de novo review by filing a Response at any time up to two years after the date of the Notice of Default. If such a Response is filed, and proper notice is provided in accordance with the notice requirements set forth above, the domain name shall again resolve to the original IP address as soon as practical, but shall remain locked as if the Response had been filed in a timely manner before Default. The filing of a Response after Default is not an appeal, the case is considered as if responded to in a timely manner.
- 6.5 If after Examination in Default case, the Examiner rules in favor of Registrant, the Provider shall notify the Registry Operator to unlock the name and return full control of the domain name registration to the Registrant.

7. Examiners

- 7.1 One Examiner selected by the Provider will preside over a URS proceeding.
- 7.2 Examiners should have legal background and shall be trained and certified in URS proceedings. Examiners shall be provided with instructions on the URS elements and defenses and how to conduct the examination of a URS proceeding.
- 7.3 URS Provider(s) shall agree that Examiners within a service provider shall be rotated to avoid "forum or examiner shopping," so as to avoid selection of Examiners that are thought to be likely to rule in a certain way. Service Providers are strongly encouraged to work equally with all certified Examiners, with reasonable exceptions (such as language needs, non-performance, or malfeasance) with such reasonable exceptions to be determined on a case by case analysis.

8. Examination Standards and Burden of Proof

- 8.1 The standards that the qualified Examiner shall apply when rendering its Determination are whether:

- a) The registered domain name is identical or confusingly similar to a mark: (i) in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; or (ii) that has been validated through court proceedings or the Trademark Clearinghouse; or (iii) that is protected by a statute or treaty currently in effect and that was in effect on or before 26 June 2008; and
 - b) The Registrant has no legitimate right or interest to the domain name; and
 - c) The domain was registered and is being used in a bad faith.
- 8.2 The burden of proof shall be clear and convincing evidence. (This burden of proof is intentionally higher than the UDRP given that the URS is meant only for the most clear-cut blatant case of infringing conduct.)
- 8.3 For a URS matter to conclude in favor of the Complainant, the Examiner shall render a Determination that there is no genuine issue of material fact. Such Determination may include that: (i) the Complainant has rights to the name; and (ii) the Registrant has no rights or legitimate interest in the name. This means that the Complainant must present adequate evidence to substantiate its trademark rights in the domain name (e.g., evidence of a trademark registration and evidence that the domain name was registered and is being used in bad faith in violation of the URS).
- 8.4 If the Examiner finds that the Complainant has not met its burden, or that genuine issues of material fact remain in regards to any of the elements, the Examiner will reject the Complaint under the relief available under the URS. That is, the URS Complaint shall be dismissed if the Examiner finds that: (1) evidence was presented to indicate that the use of the domain name in question is a non-infringing use or fair use of the trademark; or (2) under the circumstances, and no Response was submitted, a defense would have been possible to show that the use of the domain name in question is a non-infringing use or fair use of the trademark.¹
- 8.5 Where there is any genuine contestable issue as to whether a domain name registration and use of a trademark are in bad faith, the Complaint will be denied, the URS proceeding will be terminated without prejudice, e.g., a UDRP, court proceeding or another URS may be filed. The URS is not intended for use in any proceedings with open questions of fact, but only clear cases of trademark abuse.

¹ In response to comments, this revised language attempts to clarify the prior language used, which read as follows: In the absence of a clear belief of a) or b) below, the URS complaint shall be rejected:

a) (if a response was received) No evidence was presented to indicate that the use of the domain name in question is a non-infringing or fair use of the TM,

or

b) (if a response was not received) No defense can be imagined by the Examiner to indicate that the use of the domain name in question is a non-infringing or fair use of the TM.

- 8.6 To restate in another way, if the Examiner finds that all three standards are satisfied by clear and convincing evidence and that there is no genuine contestable issue, then the Examiner shall issue a Determination in favor of the Complainant. If the Examiner finds that any of the standards have not been satisfied, then the Examiner shall deny the relief requested, thereby terminating the URS proceeding without prejudice to the Complainant to proceed with an action in court of competent jurisdiction or under the UDRP.

9. Determination

- 9.1 There will be no discovery or hearing; the evidence will be the materials submitted with the Complaint and the Response, and those materials will serve as the entire record used by the Examiner to make a Determination.
- 9.2 If the Complainant satisfies the burden of proof, the Examiner will issue a Determination in favor of the Complainant. The Determination will be published on the URS Provider's website. However, there should be no other preclusive effect of the Determination other than the URS proceeding to which it is rendered.
- 9.3 If the Complainant does not satisfy the burden of proof, the URS proceeding is terminated and full control of the domain name registration shall be returned to the Registrant.
- 9.4 Determinations resulting from URS proceedings will be published by the service provider in a format specified by ICANN, in order to provide notice to the next potential Registrant that the domain was the subject of a URS proceeding.
- 9.5 To conduct URS proceedings on an expedited basis, examination should begin immediately upon the earlier of the expiration of a twenty (20) day Response period, or upon the submission of the Response. A Determination shall be rendered on an expedited basis, with the stated goal that it be rendered within three (3) business days from when Examination began. Absent extraordinary circumstances, however, Determinations must be issued no later than 14 days after the Response is filed. Implementation details will be developed to accommodate the needs of service providers once they are selected. (The tender offer for potential service providers will indicate that timeliness will be a factor in the award decision.)

10. Remedy

- 10.1 If the Determination is in favor of the Complainant, the domain name shall be suspended for the balance of the registration period and would not resolve to the original web site. The nameservers shall be redirected to an informational web page provided by the URS Provider about the URS. The URS Provider shall not be allowed to offer any other services on such page, nor shall it directly or indirectly use the web page for advertising purposes (either for itself or any other third party). The Whois for the domain name shall continue to display all of the information of the original Registrant except for the redirection of the nameservers. In addition, the Whois shall reflect that

the domain name will not be able to be transferred, deleted or modified for the life of the registration.

- 10.2 There shall be an option for a successful Complainant to extend the registration period for one additional year at commercial rates. No other remedies should be available in the event of a Determination in favor of the Complainant.

11. Abusive Complaints

- 11.1 The URS shall incorporate penalties for abuse of the process by trademark holders.
- 11.2 In the event a party is deemed to have filed two (2) abusive Complaints, or one (1) “deliberate material falsehood,” that party shall be barred from utilizing the URS for one-year following the date of issuance of a Determination finding a complainant to have: (i) filed its second abusive complaint; or (ii) filed a deliberate material falsehood.
- 11.3 A Complaint may be deemed abusive if the Examiner determines:
- a) it was presented solely for improper purpose such as to harass, cause unnecessary delay or needlessly increase the cost of doing business; and
 - b) (i) the claims or other assertions were not warranted by any existing law or the URS standards; or (ii) the factual contentions lacked any evidentiary support
- 11.4 An Examiner may find that Complaint contained a deliberate material falsehood if it contained an assertion of fact, which at the time it was made, was made with the knowledge that it was false and which, if true, would have an impact on the outcome on the URS proceeding.
- 11.5 Two findings of “deliberate material falsehood” shall permanently bar the party from utilizing the URS.
- 11.6 URS Providers shall be required to develop a process for identifying and tracking barred parties, and parties whom Examiners have determined submitted abusive complaints or deliberate material falsehoods.
- 11.7 The dismissal of a complaint for administrative reasons or a ruling on the merits, in itself, shall not be evidence of filing an abusive complaint.
- 11.8 A finding that filing of a complaint was abusive or contained a deliberate materially falsehood can be appealed solely on the grounds that an Examiner abused his/her discretion, or acted in an arbitrary or capricious manner.

12. Appeal

- 12.1 Either party shall have a right to seek a de novo appeal of the Determination based on the existing record within the URS proceeding for a reasonable fee to cover the costs of the appeal.

- 12.2 The fees for an appeal shall be borne by the appellant. A limited right to introduce new admissible evidence that is material to the Determination will be allowed upon payment of an additional fee, provided the evidence clearly pre-dates the filing of the Complaint. The Appeal Panel, to be selected by the Provider, may request, in its sole discretion, further statements or documents from either of the Parties.
- 12.3 Filing an appeal shall not change the domain name's resolution. For example, if the domain name no longer resolves to the original nameservers because of a Determination in favor of the Complainant, the domain name shall continue to point to the informational page provided by the URS Provider. If the domain name resolves to the original nameservers because of a Determination in favor of the registrant, it shall continue to resolve during the appeal process.
- 12.4 An appeal must be filed within 20 days after a Determination is issued. If, however, a respondent has sought relief from Default by filing a Response within two years of issuance of initial Determination, an appeal must be filed within 20 days from date the second Determination is issued.
- 12.5 The Providers rules and procedures for appeals shall apply.

13. Other Available Remedies

The URS Determination shall not preclude any other remedies available to the appellant, such as UDRP (if appellant is the Complainant), or other remedies as may be available in a court of competition jurisdiction. A URS Determination for or against a party shall not prejudice the party in UDRP or any other proceedings.

14. Review of URS

A review of the URS procedure will be initiated one year after the first Examiner Determination is issued. Upon completion of the review, a report shall be published regarding the usage of the procedure, including statistical information, and posted for public comment on the usefulness and effectiveness of the procedure.