INTRODUCTION: IMPLEMENTATION RECOMMENDATION TEAM (IRT)

SUMMARY

The IRT was formed by ICANN's Intellectual Property Constituency in accordance with the 6 March, 2009 ICANN Board resolution at the request of the community seeking solutions for potential risks to trademark holders in the implementation of new gTLDs. The team reflects experiential and geographic diversity and is comprised of 18 members and two alternates.

The team has participated in numerous teleconferences and a two-day face-to-face meeting resulting in draft recommendations for several proposed solutions that are described herein:

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

This Preliminary Report will be posted for a thirty (30) day comment period that closes on 24 May, 2009. However, those wishing to have the IRT consider their comments in connection with its final report should submit comments by 6 May, 2009.

FORMATION

During public discussions of new gTLD implementation models, the Intellectual Property Constituency (IPC) and other rights holders and interested parties identified potential risks and costs to rights holders that should be avoided. The Board resolved in Mexico City that the IPC form an Implementation Recommendation Team (IRT) to develop proposed solutions to these issues.

The IRT was established by members of the Intellectual Property Constituency and the membership list was posted for public view and comment. Passwords are publicly available by sending an email to ngtld-overarching-issues@icann.org.
team broadly reflects diversity of IP interests and geography. In addition, in order to provide the IRT with broadened practical perspectives and experience, one person was selected from the gTLD Registries constituency and one person was selected from the Registrar constituency. Each of them was allowed to appoint an “alternate” to attend teleconference meetings in which they were unable to attend. Specific ICANN staff members have been assigned to support the team: preparing meeting notes, posting materials, arranging meetings and providing logistical and travel support. Statements of interest will be posted for each of the team members when they are all received. The team has held numerous teleconferences and one two-day face-to-face meeting in Washington DC, as well as dedicating significant individual time in between. There has been essentially full attendance at all conferences. Meeting notes from the meetings are publicly posted as they are prepared, for example: (https://st.icann.org/data/workspaces/new-gtld-overarching-issues/attachments/trademark_protection:20090410223141-0-23728/original/MTGMINS-March25.pdf, and https://st.icann.org/data/workspaces/new-gtld-overarching-issues/attachments/trademark_protection:20090410223220-0-23543/original/MTGMINS-April1-2.pdf).

BACKGROUND

The IRT was given a broad mandate with a tight time frame. Without any intention to limit the broad mandate of the IRT, but in recognition of the extreme limitations of time, the IRT has devoted its time to addressing what it considers to be the most pressing and key issues for trademark owners. The IRT wishes to emphasize that there are still a number of issues that fall within the mandate that should be given adequate opportunity to address as well, and that nothing in this report is intended to limit or preclude those issues.

In preparation for and during the IRT’s first face-to-face meeting in DC on 1-2 April, 2009, the IRT considered and reviewed several proposals that were set forth in the comments to DAG1. For convenience and efficiency, the IRT grouped comments into the following categories:

- comments on the guidebook;
- pre-launch mechanisms;
- post-delegation at the top level;
- post-delegation at the second level; and
- dispute policies.

To complete the first draft report by 24 April, 2009, it was not possible for the IRT to extensively consider and work on each proposal. In order to ensure that the IRT spends the limited time available to build upon and develop at least the most salient, and what seemed the more promising solutions, the IRT was constrained to prioritize the list of
proposals and consequently identified five proposals which are hoped may make available solutions to address some of the immediate concerns of the stakeholders, and were thus identified as having a high priority. These included and were named:

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

In order to test the efficacy of each proposal and the solution to be developed by the IRT Sub-Groups based upon the proposals prioritized the IRT also developed the following list of questions to be asked as a benchmarking checklist against which to measure all proposals:

- what are the harms that are being addressed by the solution;
- will it scale;
- does it accommodate territorial variations in trademark rights;
- does it conform to extent of actual legal rights;
- does it work in light of IDNs;
- can it be gamed and abused;
- is it the least-burdensome solution;
- is it technologically feasible;
- how will it affect consumers and competition; and
- what are the costs and who pays them.

The IRT recognized that there is no single solution to satisfy all of the concerns raised in the comments to the DAG1 and DAG2, but that together all of the above-mentioned proposals try to provide a tapestry of globally-effective solutions to some of the major overarching issues of trademark protection in connection with the introduction of new gTLDs. Conversely, even together all the above-mentioned solutions by no means present a panacea to all the overarching issues of trademark protection in connection with the introduction of new gTLDs. The IRT focused its efforts in addressing only the
most salient of proposals and undertake the work of fleshing out and further building upon those prioritized proposals in order to swiftly flesh out an initial proposed framework for each proposal developed. The IRT recognizes that further work on each of the proposals will be required especially upon receiving comments from the community. The IRT also recognizes that still further work will be required to adequately address several of the concerns raised and proposals made by the community to comprehensively address all the overarching issues of trademark protection in connection with the introduction of new gTLDs.

In addition, it is important to note that the membership of the IRT is purely on an individual basis and based upon personal contribution of individual expertise by each member to the group. The work of the IRT is not endorsed by any particular IRT member, their clients, companies or affiliated companies or organizations, and participation in the IRT of any individual member does not signify endorsement, consent or approval of the work product of the IRT by any business, company, affiliate, client, association, group or any other party with which the individual IRT member may be affiliated or may otherwise represent. Indeed, any business, company, affiliate, client, association, group or any other party with which the individual IRT members may be affiliated or may otherwise represent, may disagree with or have differences with any one or several of the solutions proposed. This proposal is presented as a discussion draft and is subject to comments by any interested party, including the businesses, companies, associations and clients of the members of the IRT.

The IRT established a “code of conduct” which prohibited members of the IRT from discussing any of the proposed issues in depth with anyone outside the IRT in order to allow individual IRT members to speak freely and candidly. Each of these proposals was then extensively discussed not only in the face-to-face meetings, but in numerous teleconferences and wide-ranging abundant correspondence.

Notwithstanding, the IRT was not able to consider every proposal given the time constraints. However, it was able to briefly identify various proposals that it believes warrant further consideration. These included:

- Applicants should be permitted to apply for more than one string in an application, (e.g. .BRAND in ASCII, Korean, Kanji, Arabic etc.) if those other strings are IDN/ASCII equivalents of the base application (and ICANN shall only charge the additional cost recovery fees associated with the string evaluation and not a separate $186,000 application fee for each string);

- Community based and corporate branded/single registrant TLDs need to have the same authority that sponsored TLDs have currently in selecting which registrars access their registry;

- Create special status in the application process for “.brand” type TLDs;

- Shifting of costs and fees of any unsuccessful application to the applicant with reasonable penalties;
- Phased implementation;
- Development of universal standards and practices for proxy domain name registration services;
- Registrant verification;
- The holder of a second level domain name in existing gTLDs should have priority in respect of IDN equivalent;
- Fast-track UDRP resolution and reduction/shifting of cost in the UDRP;
- Auctions (portal/landing page for multiple TLDS with same string); and
- Charter enforcement/charter eligibility DRP.

**NEXT STEPS**

Weekly teleconferences are scheduled going forward and another face-to-face meeting will be held 11-13 May, 2009 in San Francisco. Information will continue to be posted at: https://st.icann.org/new-gtld-overarching-issues/index.cgi?trademark_protection, a wiki page where others can post comments regarding new gTLD implementation and trademark protection.

The IRT intends to submit its final report by 24 May, 2009 as requested by the ICANN Board, for consideration by the ICANN community at the Sydney meeting. The IRT final report will be considered by ICANN, along with any other proposals or recommendations from the community on the topic of trademark protection in new gTLDs. ICANN intends to host a workshop at the Sydney meeting to solicit input from the community on how to address the overarching issues raised in the implementation of new gTLDs.
IRT RECOMMENDATION FOR AN IP CLEARINGHOUSE, A GLOBALLY PROTECTED MARKS LIST, AND OTHER TOP AND SECOND-LEVEL RIGHTS PROTECTION MECHANISMS

1. INTRODUCTION & OVERVIEW

The IRT convened a work team to consider and recommend proposals that would, as far as possible, adequately and effectively protect the legal rights of trademark owners. In formulating the recommended proposal, the work team took into account the following framework and considerations:

- The recommendation should satisfy the checklist agreed on by the IRT;
- The recommendation should protect the existing rights of trademark owners, but not create additional legal rights;
- The recommendation should provide clear benefits to trademark owners, such that as many as possible will be incentivized to use the recommended solution;
- The recommendation should accommodate user and consumer concerns, in particular the need to ensure consumer protection both in terms of preventing unnecessary confusion and of permitting (and not derogating from) the lawful use of marks;
- The recommendation should be sufficiently flexible and scalable so as to ensure its sustainability as an effective rights protection mechanism (“RPM”); and
- The recommendation should not result in unnecessary or undue costs, either to trademark owners or to legitimate users and consumers.

The IRT believes that the recommendation for an IP Clearinghouse, as further described below, is the most appropriate platform for ensuring conformity to the above objectives as well as satisfying the IRT checklist. The IRT further believes that its recommendations for various operations at the top and second levels, as further described below, will also adequately allow for the appropriate legal protection for trademark owners without compromising the legitimate rights of consumers and other users.

In considering and working out the details of the IP Clearinghouse, the IRT has been conscious of the following potential limitations and/or differences:

- The need for protection of existing legal rights may differ at the top level and the second level;
Certain categories of marks may warrant different levels of protection. For example, extremely strong globally-recognized marks may justify a higher level of protection than lesser-known marks;

A proposed solution should work with Internationalized Domain Names (“IDNs”);

Technical limitations could determine to some extent the feasibility of particular solutions; and

The IRT recommendation should not usurp or replace the existence of legal institutions and systems that are intended to establish the scope of legal rights (e.g., existing laws and national courts). In this regard, the IRT also took into account the fact that ICANN’s Uniform Dispute Resolution Policy (“UDRP”) already provides the basis and practice for determining cyber-squatting disputes and similar problems arising from bad faith, illegitimate domain name registrations.

In developing its recommendation, the IRT consulted with and examined the practices, experiences and recommendations of various registries, Internet service providers and dispute resolution services that it considered relevant to its task including, in particular, “sunrise” registrations, suspension practices and the costs associated with implementing a RPM.

In the course of its deliberations, the IRT considered and rejected the idea of a single, all-encompassing Trademark Reserved Names List as a universal protective mechanism. The primary reasons were that (1) such a list could not accommodate the various types (and corresponding scope of legal protection) of protected marks or the possibility of calibrating the recommended RPM to these differing types and scope of protection; (2) designing workable, specific, flexible and inclusive criteria for a single, all-encompassing Trademark Reserved Names List would be extremely difficult -- if possible at all; and (3) such a “one size fits all” solution is unlikely to be broadly acceptable to the ICANN community, especially as controversy and uncertainty continue to surround the issue of protection for geographical names.

The IRT believes that its recommendation, as described further below, provides a flexible, scalable, workable and sustainable solution that would adequately and effectively protect the legal rights of trademark owners upon the introduction of new generic top-level domains (“gTLDs”). It also believes that its recommendation satisfies most of the specific concerns identified in the IRT checklist.

2. THE IP CLEARINGHOUSE

OVERVIEW

The IRT recommends that ICANN create an IP Clearinghouse to support new gTLD registries in operating cost-effective RPMs of all kinds that do not place a heavy financial or administrative burden on trademark owners.
The IP Clearinghouse can hold information on rights of all kinds including both registered rights and unregistered rights. This information, which can be in any script, can be used to support registration in both ASCII and IDN new gTLD registries.

Like traditional intellectual property registries, the IP Clearinghouse is highly scalable. It can accommodate more than one record for a term, recognizing the territorial nature of trade mark law and international classification systems.

The IP Clearinghouse will deliver fast, accurate information in a standard format using a state-of-art technical platform that is secure and robust. Most communication will be electronic. Forerunners of the IP Clearinghouse have been used by validation agents in TLD launches since 2005, demonstrating both the feasibility of the concept and its flexibility at coping with a variety of RPM models from .eu’s First Past the Post Sunrise to .asia’s auction model. It is an idea that was supported by many on the ICANN 2007 Protecting the Rights of Others Working Group.

HOW THE IP CLEARINGHOUSE WILL WORK

The way the IP Clearinghouse will work is simple: A representative of a rights owner pays a fee and submits data to the IP Clearinghouse. This data is validated initially and every year thereafter to ensure accuracy. Validated data can then be pushed by the IP Clearinghouse to new gTLD registry operators or pulled by registries or registrars to support applications such as:

- **A Watch Service** that will notify rights owners of applications for a term corresponding to their marks at the top and second levels;

- **An IP Claims Service** that will notify applicants and trademark owners that a current validated right exists on a term being applied for;

- **A Uniform Rapid Suspension System** (“URS”) for domain names that infringe IP rights or that support malicious behaviors;

- **A Globally Protected Marks List** which blocks applications for such terms at the top and the second level (trademarks that qualify as Globally Protected Marks will receive all the protections detailed below); and

- The submission of data to registries during Pre-Launch rights protection procedures (the IP Clearinghouse removes the pressure on and cost to

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1 Most Pre-Launch RPMs have focussed on registered trade mark rights of national or multi-national effect. Whilst it is expected that the IP Clearinghouse will pre-dominantly feature data on such rights, some registry operators may opt to include as eligible for their Pre-Launch RPM other types of rights, such as Unregistered Trade Marks, Company Names, Trading Names, Designations of Origin, Geographical Names, Family & Personal Names etc. Therefore the IP Clearinghouse should be structured so that it can accommodate a panoply of such rights even if they are applicable to only a small number of registries.

2 As the IRT does not consider the URS to be a RPM of the type envisaged in its proposal, the IRT believes that all new gTLD registries should adopt the URS, regardless of the number or forms of RPMs used by that registry.
trademark owners of submitting the same data over and over again for verification at multiple registries, and ensures consistency of validation).

MAJOR BENEFITS OF THE IP CLEARINGHOUSE

For trademark owners:

- The IP Clearinghouse will reduce the cost and administrative burden of registering in new gTLD after new gTLD: a rights owner pays once a year for a record to be validated and maintained in the IP Clearinghouse. This validated record can then be used to support applications under whatever type of Pre-Launch RPM a registry operator selects. There is no need for the rights owner to pay the Sunrise application fees of the registries which have typically ranged from $45-$125.

- The IP Clearinghouse will provide a platform for the forms of RPM listed above, such as the GPML, the Watch Service, the IP Claims Service and the URS.

For new gTLD Registry Operators:

- The IP Clearinghouse will enable them to design and operate effective Pre-Launch RPMs that are appropriate for and tailored to their target markets without significant investment in validating data.

- The IP Clearinghouse will reduce registry liability.

- The IP Clearinghouse can support ASCII and IDN registry operators as it can hold validated data in any script.

For registrars:

- The IP Clearinghouse will minimize uncertainty and risk arising from the Pre-Launch RPM process. In this regard, the IRT notes that over 50% of applications during Sunrise schemes run since .eu in 2005 have been inaccurate or ineligible, often because of registrar error.

For ICANN:

- The IP Clearinghouse will enable ICANN to demonstrate its commitment to the protection of intellectual property rights in a tangible fashion: it will minimize abusive and speculative registrations and reduce the financial burden on rights owners.

- The IP Clearinghouse can be the platform upon which a tapestry of globally-effective RPMs can be based.

PRINCIPLES GOVERNING THE OPERATION OF THE IP CLEARINGHOUSE
- There should be one IP Clearinghouse operated by an outsourced agency under a renewable multi-year contract with ICANN of at least five years.

- The IP Clearinghouse should be operated by a neutral service provider not affiliated with any party contracted with ICANN.

- The data in the IP Clearinghouse must be collected solely for use in the IP Clearinghouse. This data must be validated before it is included in the IP Clearinghouse and on the anniversary of its inclusion.

- The IP Clearinghouse must be available 24/7, 365 days of the year.

- The cost to a rights owner of placing and maintaining a record in the IP Clearinghouse should be reasonable. The annual cost of maintaining a portfolio of records in the IP Clearinghouse should not be prohibitive for a rights owner with many names/brands, taking into account the complexity of the platform and the liabilities of the IP Clearinghouse operator.\(^3\)

- The IP Clearinghouse must be technically “state-of-the-art”: its daily operation must enhance the rapid provisioning of domain registrations. For example, it should probably support EPP. It must not slow the registration process unreasonably.

See Appendix One: Summary of data types relating to registered trade marks that could be maintained in the IP Clearinghouse: Page 12.

See Appendix Two: Summary of data types relating to rights other than registered trade marks that could be maintained in the IP Clearinghouse which some new gTLD operators may wish to protect in a Pre-Launch RPM – for example, German city applicants may want to protect family names as allowed under local law: Page 14.

3. THE GLOBALLY PROTECTED MARKS LIST (“GPML”)

The IRT recommends the creation of a Globally Protected Marks List (“GPML”) to provide protection to globally well-known and protected marks (“GPMs”) at the top and second levels. We recommend the GPML in recognition of the numerous comments by and on behalf of trademark owners that called for the establishment of a “Reserved Names List” or “White List” for trademarks.

Because the intention behind the GPML is to include only marks that are globally protected and well-known, the standards for inclusion on the GPML should be high and

\(^3\) It should be noted that the fees paid by rights owners for the validation of applications in recent gTLD Pre-Launch RPMs consisted of three parts: (1) the fees of the registry operator; (2) the fees of the validation agents; and (3) the fees of the registrars submitting the application. (1) and (2) were often bundled together by the registry operator to create the “wholesale” price for registrars. Registry operators have not sought any control over the final “retail” price charged by registrars as this could be seen as anti-competitive.
strictly enforced. As a result, the level of protection afforded to GPML marks will be greater than for marks not qualified for inclusion on the GPML.

GPML REQUIREMENTS

Trademark owners that wish to have a mark included on the GPML must provide to the IP Clearinghouse documented evidence that is capable of being verified of the criteria listed below. After the initial gTLD application round, these criteria should be evaluated and, if appropriate, revised.

- Ownership by the trademark owner of 200 trademark registrations of national effect\(^4\) for a GPM that have issued in at least 90 countries\(^5\) across all 5 ICANN Regions.
- All trademark registrations must have issued on or before November 1, 2008.\(^6\)
- Registration of second level domain names identical to the GPM in 50 TLDs.
- The second level domain name for the GPM’s principal online presence must be identical to the GPM.
- The trademark owner must state that no other party owns a trademark registration for the applied-for GPM. If another party does own a trademark registration for the applied-for GPM, then the trademark owner must either (a) meet the increased numerical threshold of 300 trademark registrations or (b) submit documentation of final judgments by three different courts that the applied-for GPM has been found to be famous under the national law applied by that country.\(^7\)

The GPML applicant should not be required to apply for a gTLD corresponding to its applied-for GPM as a condition of inclusion on the GPML. The IRT has considered this issue and decided against it. Because of the multiple factors associated with applying for a new gTLD (not the least of which is the $185,000 application filing fee), the IRT does not believe that such a requirement would be fair.

\(^4\) U.S. registrations must have issued on the Principal Register. In other countries with two-tier registers, eligible registrations must have issued on the “superior” register.

\(^5\) The IRT needed to decide how to handle registrations of supranational effect. The IRT decided to treat them as separate registrations for each covered country (e.g., a Community Trade Mark registration would count as 27 registrations and 27 countries). The IRT based this decision on the number of registrations and countries identified as requirements. If these numbers are reduced by 25% or more, the IRT believes it would be appropriate to then count supranational registrations as one registration in one country.

\(^6\) It may be appropriate to adjust this date for subsequent rounds.

\(^7\) A number of comments calling for the creation of a Reserved Names List or White List suggested that one criterion should be the number of successful UDRP and anticbersquatting actions initiated by the trademark owner. The IRT decided against including this criterion because it concluded that the suggestion was neither an acceptable substitute for any of the other criteria nor necessary as an additional criteria.
The IP Clearinghouse will validate all data supporting the GPML application. After the IP Clearinghouse completes the validation and compiles the initial GPML, ICANN must publish the GPML before the request for proposal (“RFP”) issues and early enough beforehand to allow for potential applicants to take the GPML into consideration should they choose to do so.⁸

The continued qualification of marks on the GPML must be validated annually by the trademark owner. The initial submission of documented evidence and the annual validation must include an affidavit or declaration, signed by the trademark owner, attesting to the accuracy and completeness of all information submitted by the trademark owner.

After the initial application process has concluded, new applications for marks to be included in the GPML will be accepted before each new gTLD application round or on a rolling basis if ICANN begins to accept new gTLD applications on a rolling basis.

The benefits available to a mark on the GPML should be available only to the trademark owner, not its licensees. Accordingly, all trademark and domain name registrations relied upon for inclusion in the GPML must have issued in the name of the trademark owner.

4. PROTECTION FOR GPMS AT THE TOP LEVEL

Section 2.1.1.1 (String Reviews) of ICANN’s Draft Applicant Guidebook for new gTLDs (“DAG”) should be revised so that applied-for gTLD strings will be compared with and reviewed against GPMs on the GPML in addition to existing TLDs and other applied-for gTLDs. The objective of the string review is to prevent user confusion and loss of confidence in the domain name system. The review is to determine whether the applied-for gTLD string is so similar to a GPM that it would create a probability of detrimental user confusion if it were to be delegated to the root zone. String confusion will be found to exist where an applied-for gTLD string so nearly resembles a GPM visually that, as a matter of probability and not mere possibility, it is likely to deceive or cause confusion.

The IRT recommends that the String Similarity Algorithm described in Section 2.1.1.1 of the DAG be used to identify applied-for gTLD strings that will require further analysis and examination. Such further analysis and examination should be based on whether sufficient similarity exists in terms of aural and commercial impression (i.e., meaning) so as to be likely, as a matter of probability and not mere possibility, to deceive or cause confusion.

An application that fails the string confusion review on this basis will not pass the Initial Evaluation. The applicant can request reconsideration of the finding and will bear the

⁸ A number of comments called for a challenge process. The IRT decided against a challenge process given the stringent eligibility criteria to get onto the GPML and the opportunity to request reconsideration. If it is later decided to make the GPML criteria less stringent, the IRT believes it would be necessary to revisit the idea of a challenge process.
costs of doing so. The IRT believes that all applicants that fail Initial Evaluation based on a finding of string confusion should have the opportunity to request reconsideration.

5. OTHER TOP-LEVEL RIGHTS PROTECTION MECHANISM

Watch Notice. Under the Watch Service provided by the IP Clearinghouse, any person or entity (a “Requestor”) may submit a Top Level Watch Request, i.e., a request to be notified when a third-party seeks registration of a new gTLD that matches a specifically identified second-level string (the “Top Level Watched String”). Using the IP Clearinghouse, all applied-for gTLD strings will be checked against all Top Level Watched Strings. In the event of a match, the Requestor will receive electronically a Watch Notice that identifies the applied-for new gTLD and provides the applicant’s contact details as set forth in its application. The Watch Notice system would not interfere with the new gTLD process and would generate notices immediately after ICANN posts information about the new gTLDs applied for in the first round. Participation in the Watch Notice system is fee-based with all fees paid by the Requestor. No verification or validation of the Top Level Watched String occurs.

6. PRE-LAUNCH SECOND LEVEL RIGHTS PROTECTION MECHANISMS: THE IP CLAIMS SERVICE

General. The IRT recommends a two-pronged approach at the second level, including providing one set of protections for the GPMs and a second set of protections for all other owners of national trademark registrations.

The IRT recognizes that each new gTLD Registry will have unique characteristics and therefore there is no universal RPM that can be imposed. That said, the IRT believes that there are certain minimum protections that should be employed by certain new gTLD Registries to protect the IP rights of trademark owners. Each new gTLD registry should be free to select its own RPM provided that it can demonstrate that its selected RPM meets or exceeds the minimum protections described herein. The IRT notes, however, that new gTLDs that have general second-level registration eligibility requirements which include, at a minimum, the possession and pre-registration verification of the legal rights of domain name applicants before the registration of such names may not need to employ these minimum protections as their protections would exceed those recommended herein.9

GPMs. With respect to GPMs, the IRT recommends that new gTLD Registries implement a mechanism which initially blocks the registration of second-level domain names that are an identical match of the GPM. There should, however, be a process by which these applicants should be permitted to register the initially-blocked names if they can demonstrate to an independent third party that their registration of those names

9 For example, the IRT believes that if there were a .trademark TLD in which the registry operator conducted pre-registration verification that each applicant for a second-level domain within the TLD owned a trademark registration of national effect, then that .trademark TLD would not need to provide an intellectual property claim or sunrise service.
would be consistent with generally accepted trademark laws; namely that its use of the
domain name would not infringe the legal rights of the GPM owner. An “identical match”
means the domain name contains the complete and identical name protected by the
trademark. In this regard: (a) spaces contained within a trademark that are replaced by
hyphens (and vice versa), (b) spaces, hyphens, punctuation or special characters\(^\text{10}\)
contained within a trademark that are spelt out with appropriate words describing it, and
(c) punctuation or special characters contained within a trademark that are omitted or
replaced by spaces or hyphens will be considered identical matches.

Separately from the blocking mechanism, GPM owners will also receive notices
pursuant to the IP Claims Service (described below).

Non-GPM Marks. In addition, the IRT believes that each registry should describe in its
application one or more mechanisms it will implement that will protect trademarks that
do not qualify as a GPM. Unless a registry will offer a different RPM in the Pre-Launch
phase (e.g., a Sunrise Registration Process), the IRT recommends that the registry
provide the IP Claims Service (as described herein). Under the IP Claims Service, each
new gTLD Registry shall provide notices as follows: (1) to potential registrants of
domain names that identically match trademarks contained within the IP Clearinghouse;
and (2) to owners of trademarks contained within the IP Clearinghouse of the
registration of domain names that identically match its trademark(s). An “identical
match” means the domain name contains the complete and identical name protected by
the trademark. In this regard: (a) spaces contained within a trademark that are replaced
by hyphens (and vice versa), (b) spaces, hyphens, punctuation or special characters\(^\text{11}\)
contained within a trademark that are spelt out with appropriate words describing it, and
(c) punctuation or special characters contained within a trademark that are omitted or
replaced by spaces or hyphens will be considered identical matches.

Except for GPMs, registrants shall not be prevented from registering domain names
matching marks contained within the IP Clearinghouse; provided, however, that each
registrant receiving a notice pursuant to the IP Claims Service: (i) affirmatively opts into
the registration of the domain name after receiving notice; (ii) represents and warrants
that it has a right or legitimate interest in that domain name; (iii) represents and warrants
that it will not use the domain name in bad faith as described in the UDRP; (iv)
acknowledges that the registration or use of the domain name in bad faith may result in
suspension under the URS, a UDRP proceeding, and/or judicial action by the
appropriate trademark owner; and (v) represent and warrant that the registrant contact
information provided in support of the domain name registration is valid and accurate,
and acknowledge that provision of false information may result in cancellation of the
registration.

STANDARD SUNRISE REGISTRATION PROCESS

\(^{10}\) Including but not limited to ~ @ # !, §, % ^ © and &.

\(^{11}\) Including but not limited to ~ @ # !, §, % ^ © and &.
If, in relation to non-GPM Marks and during the Pre-Launch phase, a new gTLD Registry elects to provide a Sunrise Registration Process in lieu of the IP Claims Service, the IRT believes that such a registry should utilize a Sunrise Registration Process that applies standard Sunrise Eligibility Requirements ("SERs") and incorporates a Sunrise Dispute Resolution Policy ("SDRP"). In addition, the IRT believes that the Registry should utilize the IP Clearinghouse to verify the SERs. Adherence to these eligibility requirements does not preclude the registry from adopting more stringent criteria; the SERs are a floor, not a ceiling.

The SERs are:

- Ownership of a registration of national effect that issued on or before [the date of the Registry Agreement] and was applied for on or before [the date that ICANN publishes the list of applications received in the round] for a mark that identically matches the applied-for domain name. An “identical match” means the domain name contains the complete and identical name protected by the trademark. In this regard: (a) spaces contained within a trademark that are replaced by hyphens (and vice versa), (b) spaces, hyphens, punctuation or special characters¹² contained within a trademark that are spelt out with appropriate words describing it, and (c) punctuation or special characters contained within a trademark that are omitted or replaced by spaces or hyphens will be considered identical matches.

- The registry may impose any further requirements relating to the International Class of goods and/or services covered by the relevant registration that it deems appropriate to its TLD; for instance, a registry could require that trademark registrations relied upon by Sunrise applicants must cover certain categories of goods or services (e.g., the .shoe registry could restrict participation in its Sunrise process to owners of trademark registrations that cover shoes or other goods in International Class 25).

- If the registry permits Sunrise registrations to be based on legal rights other than registered trademarks, those other legal rights must be capable of being authenticated and must be recognized under the laws of the country in which the registry is organized.

- Sunrise registration applicants must affirm that all information provided is true and correct, and must acknowledge that the provision of false information may result in the cancellation of any resulting domain name registration.

- Sunrise registration applicants must provide either documentation of the claimed trademark registration (or other legal right, as applicable) or information about it sufficient to facilitate its authentication to the IP Clearinghouse.

The SRDP must allow challenges based on at least the following four grounds:

¹² Including but not limited to ~ @ # !, $, %, ^, © and &.
At the time the challenged domain name was registered, the domain name registrant did not own a trademark registration of national effect;

The domain name is not identical to the trademark on which the domain name registrant based its Sunrise registration;

The trademark registration on which the domain name registrant based its Sunrise registration is not of national effect; and

The trademark registration on which the domain name registrant based its Sunrise registration did not issue on or before [the date of the Registry Agreement] and was not applied for on or before [the date that ICANN publishes the list of applications received in the round].

7. POST-LAUNCH SECOND-LEVEL RIGHTS PROTECTION MECHANISMS

Watch Notice. Any person or entity (a “Requestor”) may submit a Second Level Watch Request, i.e., a request to be notified when a third-party seeks registration of a second level domain name that matches a specifically identified second-level string (the “Second Level Watched String”). Using the IP Clearinghouse, all second-level registrations will be checked against all Second Level Watched Strings. In the event of a match, the Requestor will receive electronically a Watch Notice that identifies the second-level domain name and provides the Whois information of its registrant. The Watch Notice system would not interfere with the registration of second level domain names on a real-time basis and would operate on a real-time basis. Participation in the Watch Notice system is fee-based with all fees paid by the Requestor. No verification or validation of the Second Level Watched String occurs.
# APPENDIX ONE

Summary of Data Types relating to Registered Trademarks that are Relevant to Top & Second Level Domains and that could be Maintained in the IP Clearinghouse  
(NOTE: this is a non-exhaustive list)

<table>
<thead>
<tr>
<th>FIELD</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Right</strong></td>
<td></td>
</tr>
<tr>
<td>Name of the Right</td>
<td>The exact term in ASCII</td>
</tr>
<tr>
<td>Variations on the Right</td>
<td>Terms considered to be identical to the name in the DNS – e.g., with or without descriptive elements, with or without hyphens</td>
</tr>
<tr>
<td>IDN Variations</td>
<td>Exact match of the term in other scripts</td>
</tr>
<tr>
<td><strong>The Rights Owner</strong></td>
<td></td>
</tr>
<tr>
<td>Owner Name</td>
<td>Company, organization, individual, municipality</td>
</tr>
<tr>
<td>Owner Contact Details</td>
<td>Official address: address, phone, fax, email</td>
</tr>
<tr>
<td>Rights Owner Representative</td>
<td>The person who can answer questions in connection with the right including contact details</td>
</tr>
<tr>
<td>Nature of Applicant</td>
<td>Trademark owner, licensee, assignee</td>
</tr>
<tr>
<td>Authorized User of the Right</td>
<td>e.g., a licensee, franchisee, subsidiary</td>
</tr>
<tr>
<td><strong>The Type of Right</strong></td>
<td></td>
</tr>
<tr>
<td>Registered Trademark</td>
<td>Maintained in an official trademark register; categories for multi-national, national and state</td>
</tr>
<tr>
<td>Trademark Applied For</td>
<td>A application at an official trademark registry may be in process for over a year</td>
</tr>
<tr>
<td>Status of the Right</td>
<td>All as relevant</td>
</tr>
<tr>
<td>Country</td>
<td>Where the right is claimed</td>
</tr>
<tr>
<td>Application Date</td>
<td>The date the right was applied for at the officially recognized government agency dealing with such applications</td>
</tr>
<tr>
<td>Registration Date</td>
<td>The date the right was granted by the officially recognized government agency</td>
</tr>
<tr>
<td>Expiration Date</td>
<td>When the right expires</td>
</tr>
<tr>
<td>Registration Number</td>
<td>The unique identifier granted by the officially recognized government agency</td>
</tr>
<tr>
<td>Trademark Class or Other Official Category</td>
<td>e.g., the Nice Classification</td>
</tr>
<tr>
<td>Nature of Right</td>
<td>e.g., word mark, device mark, figurative</td>
</tr>
<tr>
<td>FIELD</td>
<td>NOTES</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Status of Right within the IP Clearinghouse</td>
<td>mark</td>
</tr>
<tr>
<td>Pending Validation</td>
<td>Period commencing on the date that application was submitted for entry in IP Clearinghouse, and prior to its First Validation</td>
</tr>
<tr>
<td>Date of First Validation</td>
<td>When the validation agents first verified the application</td>
</tr>
<tr>
<td>Date of Last Validation</td>
<td>When the validation agents last verified the application</td>
</tr>
<tr>
<td>Challenged</td>
<td>If the right is being challenged by a third party</td>
</tr>
<tr>
<td>Cancelled</td>
<td>Following a successful challenge</td>
</tr>
<tr>
<td>Expired</td>
<td>The date an eligible right expired, e.g., because the annual validation fee was not paid</td>
</tr>
<tr>
<td>Rejected</td>
<td>The date an ineligible right was rejected</td>
</tr>
</tbody>
</table>
## APPENDIX TWO

Summary of Data Types Relating to Rights other than Registered Trademarks that could be Maintained in the IP Clearinghouse and that are particularly relevant to the Second Level
(NOTE: this is a non-exhaustive list)

<table>
<thead>
<tr>
<th>FIELD</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unregistered Trademark</td>
<td>Protected by a national law</td>
</tr>
<tr>
<td>Company Name</td>
<td>Maintained in an official government database</td>
</tr>
<tr>
<td>Trade Name/Trading Name</td>
<td>This can be different from the official company name</td>
</tr>
<tr>
<td>Designation of Origin</td>
<td>Appellation such as Champagne etc.</td>
</tr>
<tr>
<td>Geographical Name</td>
<td>State, city, region</td>
</tr>
<tr>
<td>Title of Literary or Artistic work</td>
<td>Some countries confer legal rights on, e.g., newspaper/book titles</td>
</tr>
<tr>
<td>Business Identifier</td>
<td>Shop signs are protected in some jurisdictions</td>
</tr>
<tr>
<td>Names (Family &amp; Personal)</td>
<td>The names of families and individuals are protected in some jurisdictions</td>
</tr>
</tbody>
</table>
1. INTRODUCTION

The Implementation Recommendation Team ("IRT") recommends that all new gTLD registries be required, pursuant to their contracts with ICANN, to take part in a Uniform Rapid Suspension System ("URS"). The purpose of the URS is to provide a cost-effective and timely mechanism for brand owners to protect their trademarks and to promote consumer protection on the Internet. The URS is not meant to address questionable cases of alleged infringement (e.g., use of terms in their generic sense) or for purpose of anti-competitiveness or denial of rights of speech, but rather for those cases in which there is no genuine question as to the infringement and abuse that is taking place.

The UDRP has unquestionably been an important and successful mediation tool for trademark owners and domain name registrants alike. However, times and circumstances have changed since the UDRP was implemented and brand owners and Internet users find themselves facing unprecedented levels of abuse and infringement, which undermines trust in, and thereby negatively impacts the stability and security of the Internet.

Many brand owners face thousands of infringing websites per year. Often these websites monetize off the value and goodwill of a brand, distribute counterfeit goods, malware and other malicious software, phishing attempts, and adult content. Cease and desist letters often go unanswered and brand owners are forced to spend large amounts of money drafting and filing UDRP complaints. In those obvious cases – as noted above – registrants often either fail to respond or simply agree to transfer the domain name after initiation of a UDRP. The end result is brand owners spending large amounts of money to build up portfolios of domain names they do not want simply to prevent fraud on their consumers and misuse of their brands.

Therefore, the IRT recommends that ICANN implement the URS, which would be mandatory for all new generic Top Level Domain (gTLDs), and would bind all registries and registrars supplying new gTLDs to the marketplace. The URS would address cases of abusive uses of trademarks where there is no genuine question as to the infringing or abusive use of a mark in a domain name and in connection with a site that represents abusive use (i.e., not a fair use or commentary situation nor a situation involving questions of whether the registrant is or is not authorized or selling, for example, legitimate, non-counterfeit goods).1 The URS will provide a low-cost and rapid means for taking down infringing domain name registrations, yet preserving a registrant’s right to a hearing and/or appeal. In addition, the URS does not result in the transfer or cancellation of a domain name registration. Rather domain name registrations found to

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1 The URS is not intended to deal with cases specifically relating to phishing attacks or distribution of, for example, malware per se unless such actions are simultaneously involving an abusive use of a trademark in the domain name.
be violating a brand owner’s rights will be placed in a locked state, for the life of the
registration, and will not resolve to an active website.

Where there is any genuine question as to whether a domain name registration or use
is an abusive use of a trademark, the complaint will be denied terminating the URS
process without prejudice to further action, e.g., a UDRP or court proceeding. The URS
is not intended for use in any questionable proceedings, but only clear cases of
trademark abuse.

Finally, to prevent abusive use of the process, any trademark owner found to repeatedly
misuse the URS, for example for anti-competitive purposes or to violate free speech,
will be removed from the system and denied access to the URS for a set period of time.

The following provides a more detailed analysis of the purpose, steps and processes
behind the recommended URS.

2. PURPOSE OF URS

The purpose of the URS is to address a cybersquatting problem for brand owners that is
already insidious and enormous in scale, and which will continue to spiral out of control
with the introduction of an unlimited number of new gTLDs unless addressed.

The intent in proposing the URS is to solve the most clear-cut cases of trademark
abuses, while balancing against the potential for an abuse of the process. We note that
our proposal is limited to trademark abuse problems and have not extended this model
to other forms of abuse. The URS is intended to address efficiently and cost-effectively
the most clear cut cases of abuse. It does not replace other current options available,
such as the UDRP or other litigation options. Rather, it is intended to address the hole
not filled by current available remedies.

In balancing the interest of brand owners and domain name registrants in the draft URS
as compared with the current UDRP, we note that the same substantive standards
apply, but the evidentiary threshold level or the burden of proof on the complainant was
increased.

It should be emphasized that this URS is only a part of a tapestry of solutions proposed
by the IRT, which are interrelated and interdependent. The current solutions proposed
cannot be wholly separated as in a “choose one from column A” style menu – since they
have been designed to comprehensively balance in relation to one another. If the URS
or any other aspect is separated from the whole, that individual mechanism likely would
need further strengthening.

3. INITIATION OF URS

The URS would be mandatory in all registry agreements for new gTLDs. In turn,
registries would bind registrars in all new gTLD Registry-Registrar Agreements to add a
requirement to participate in the URS in their service agreements with their customers.
To participate in the URS, a trademark owner complaining of infringement has two options:

3.1 Pre-Registration – during the pre-registration process, trademark holders would pay a reasonable fee and provide important information about their trademarks. This would streamline the complaint process by:

- Adding the registered user’s information (signature and trademark information) to a verified list;
- Pre-filling the complaint form with registered user information; and
- Allowing complaints to be submitted via e-mail instead of hard copy with accompanying signature for each complaint.

3.2 No Pre-Registration – Complainants submit complaints without pre-registration and the streamlining benefits afforded to pre-registered users.

To initiate an URS action, both registered and non-registered users need to complete and submit a complaint form outlining trademark rights and assertions of infringement as required in the Form Complaint attached as Exhibit A [this would be a link to the form]. Complaints must include PDF copies of (1) the Whois record for the domain name(s) and (2) the website showing the alleged violation(s). Complaints can be filed on behalf of multiple related companies (i.e., multiple subsidiaries under a holding company name) but cannot be filed in the name of multiple unrelated companies. Moreover, complaints can be filed against multiple registrants if the Complainant can establish that the multiple registrants are one in the same (i.e., multiple “shell” companies or aliases for a single person or entity). Each complaint carries either a pre-registered user fee or a higher non-registered user fee. Filing fees are based on a tiered schedule and fees increase per the number of domains cited in the complaint as indicated in the attached Exhibit E. Complaint fees are non-refundable. Additionally, all complainants must include a statement that the complaint is being filed in good faith and that the complainant agrees to indemnify all parties that act based on the representations in the complaint.

2 The form will be a checkbox form with specific places for required information and arguments to be provided by Complainant.

3 Given that the URS is designed to be a more rapid procedure than the UDRP for blatant and clear cut cases of trademark abuse, the view of the IRT is that the filing fees should be significantly lower than that for a UDRP and we invite input from the community as to what level such fees should be. As an example for benchmarking purposes, the current filing fee for a UDRP with WIPO is USD $1500 with the WIPO Center taking USD $500 of that for the case management when there are 1-6 domain names (USD $2000 for 6-10). Thus in our view such filing fees for the URS should be significantly lower (for example, $100-200). We would envision that fees would increase in batches of 100 (i.e., 1-100; 101-200, etc.). The IRT thus specifically invites comments from the community on what would be appropriate fees to ensure correct case management and sufficient fee for the Examiner so as to ensure correct and consistent decisions, as well as keeping the process cost-effective to achieve the stated goals.

4 We considered the concept of requiring a complainant to post a bond, but thought that would overly complicate the process.
Complaints are submitted to a third party provider – to be selected by ICANN\(^5\) -- for initial examination. During initial examination, a case manager reviews the complaint for compliance (e.g., did the complainant fill out the Form Complaint properly and present sufficient evidence to support the legal claim - a prima facie case - as well as whether the complained of site is as described in the complaint). Additionally, if multiple complainants or respondents are cited, the case manager will review the evidence provided to support a multiple complainant and/or respondent format to determine if such evidence suffices. This initial examination is important to reduce false or incomplete complaints.

Only if the complaint is validated as complete and establishing a prima facie case during the initial examination will the domain name registration(s) proceed to the lock and notice stage. Incomplete complaints are deemed defective, ending the URS process.

Upon notice to the third party provider, the Complainant will have the right to terminate the URS at any time prior to a full examination by the “Examiner” – who was retained by the third party provider pursuant to Section VII below. The effect of a termination will be to unlock a domain name and return any fees paid by the Registrant.

4. NOTICES

Notice of the complaint to the Registrant and to the domain name service providers is extraordinarily important to the success and legitimacy of the process. Notwithstanding the trademark abuse alleged in the complaint, registrants should have the ability to answer a complaint prior to the invocation of any adverse consequences to their domain names and websites. While abusive names should be addressed as quickly and inexpensively as practicable, we are cognizant that registrants also should be protected against over-aggressive use of this system by complainants. Fair notice and an opportunity to answer is one of several remedies for such potential abuse.\(^6\)

All formal notices of the complaint should be provided by the third party dispute resolution provider. Notice first should be provided to the New TLD registry operator within 24 hours of the filing of the complaint via e-mail at the address the registry operator provides to ICANN. Upon receipt of the notice, the registry operator should have up to 24 hours to lock the domain name to prevent transfers or other changes to the registration. In the registry protocols (EPP), such a lock would be implemented with two registry commands -- “ServerTransferProhibited” and “ServerUpdateProhibited.” During this time period, the website still will resolve and the domain name will remain active in the zone file.

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\(^5\) The IRT recommends that there be one third party provider for the URS rather than multiple providers.

\(^6\) The IRT welcomes comments on what the community believes, under the conditions reflected in this paper concerning making this process faster and more efficient than the UDRP and only for clear cut cases of abuse, would constitute sufficient time for proper notice and, as noted in Section V, Answer.
Within 24 hours of the domain name lock, the third party provider should then provide notice of the complaint to Registrant. Such notice should inform the Registrant that the name is locked and that the failure to answer would result in the Registrant’s inability to use the domain name for any purpose. This initial notice to the Registrant should be provided to the e-mail address contained in the Whois record for the domain name, regardless of whether the name is utilizing a privacy or proxy service. At the same time, the third party provider should provide notice of the complaint to the registrar of record of the domain name at an address the registrar provides to ICANN. Registrars, therefore, also would have the ability to contact their impacted customers to inform them of the complaint and the consequences of not answering.

In addition, the third party provider shall send a certified letter to the Registrants’ mailing address located in the Whois database. Such letter should be sent within five days of the filing of the complaint.\footnote{While we considered requiring the complainant to send the certified letter – similar to the UDRP process – we thought that it actually would be more economical if the third party provider sent the letters and it would be another safeguard against potential reverse-abuse.}

Finally, after seven days, a second e-mail should be provided to the Registrant.\footnote{We also considered a potential requirement that the third party provider provide notification of the complaint via fax and/or telephone in addition to e-mail and a certified letter. That issue still is pending depending on the additional costs that such requirements would add to the system. If this system becomes too expensive for complaining parties, it would cease to be a viable alternative to the UDRP.}

5. \textbf{ANSWER}

A Registrant has 14 days from the date of the initial email notification to submit an answer. Each answer must include confirmation of Registrant details and a defense for domain name registration(s) and/or use that contradicts the Complainant’s evidence that they do not have a legitimate right or interest in the domain name(s) (e.g., known by or authorized to use the name at issue or a claim that the use is noncommercial fair use) and that they registered or used the domain in bad faith as detailed and required in the Form Answer attached as Exhibit B [this would be a link to the form].\footnote{As with the Complaint, the form will be a checkbox form with specific places for required information and arguments to be provided by the Respondent.}

Answers submitted by a Registrant reflecting [10 – 25]\footnote{The IRT welcomes input from the community regarding the number of domain name registrations that would place the Answerer into this category. The purpose of this category, as outlined below, is to prevent gaming of the URS by registrants.} domain names or more would require submission by the Registrant of an Answer Fee.\footnote{The appropriate fee in this circumstance is yet to be determined. The IRT invite input from the community as to what the appropriate Answer Fee should be taking into account the concern that the fee be appropriate to prevent potential gaming of the URS.} The Answer Fee would be refundable to the Registrant if the Registrant prevails in the URS.\footnote{The appropriate fee in this circumstance is yet to be determined. The IRT invite input from the community as to what the appropriate Answer Fee should be taking into account the concern that the fee be appropriate to prevent potential gaming of the URS.}
When an Answer is submitted, the case manager will review the Answer to determine if it meets the requirements for a qualified Answer, that is, that all required information and representations are provided. If the Answer meets the requirements of the URS, the case manager will submit the Complaint, Answer and supporting documents to an Examiner for decision.

Incomplete Answers will be deemed defective and will be rejected, moving the URS process into default phase.

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12 The IRT members have deep concerns over gaming of the URS process by both Complainants and Respondents. We have addressed the question of abuse by Complainants in the last part of these recommendations but are unsure of how to address abuse by Registrants without causing undue burdens on Respondents.

In the current environment, trademark owners are often forced to spend a significant amount of time, effort and monetary resources in going after those domain name registrants that the URS is intended to address. Often these registrants ignore cease and desist letters, forcing the trademark owner to file a UDRP or court action. The end result is often either: (a) a default in the UDRP response, or (b) contacting the trademark owner and agreeing to transfer the domain name after a UDRP proceeding has been initiated and significant attorneys’ fees already paid. This is also, in many minds, a form of default.

The IRT has considered options to try to prevent registrants from filing bogus Answers in order to be able to monetize infringing sites during the pendency of the URS, thereby tying-up the URS system and, in the long run, driving up costs for implementing these procedures. At the same time, the IRT does not want to implement a remedy that will affect legitimate Respondents and potentially questionable cases nor impose a significant burden on individuals, small businesses, and registrants that may only own a few domain names.

Of the potential remedies, the IRT considered a process for Abusive Answers similar to that for Abusive Complaints. However we had concerns that banning a registrant from answering for a period of time could lead to problematic takedowns.

Similarly, we widely debated instituting a minimal fee on the registrant in the lines of, for example, $30-40 per Answer for all Answers (to be matched by the Complainant). The fee would be refunded to the prevailing party. As a result of these discussions, the IRT had two competing concerns.

The first concern is that a fee should not be imposed because we should not make a registrant pay a fee to defend themselves against an action (particularly in those cases where there is a questionable use that should go to UDRP); that any fee might be a burden on the registrant (particularly an individual or small business); and, finally, that collecting a fee from the respondent and a second fee from the complainant, as well as creating a system of refunding one of those two fees would impose additional complexity and costs on the system making it a more expensive process. Moreover, it could cause complaints of alleged phishing attempts to respondents and likely would dramatically increase the number of appeals.

The second is that a minimal fee to respond should be imposed to prevent gaming of the system and potentially wasting an Examiner’s time (and as a result, potentially increasing the fees that will be charged to file complaints in the first place). The idea is that the fee would be low (for example, in the $30 or $40 range) and matched by the Complainant. In addition, the fee is refundable to the successful party upon the Examiner’s decision, which means those registrants who are either not making an abusive use or the use is questionable and thus should go to UDRP or court are not out of pocket.

The result we came to was a hybrid of the two – imposing a fee (to be determined) on registrants who have registered a number of domain names within the new gTLDs that reflect abusive use of a company’s trademarks. We agreed that the number of domain names needed to be higher than two or three as a URS complaint can cover domain names across numerous new gTLDs but needed to be low enough to prevent gaming in the form of using multiple identities to fall underneath the threshold.

The IRT welcomes community input on the proposed solution as well as potential alternatives to address this problem.
6. DEFAULT PROCEDURES

If a Registrant fails to submit an Answer, or submits a defective Answer, within fourteen days of initial email notice, the Complainant and Registrant are notified by email and, in the case of Registrant, letter (sent by regular mail) that the matter has entered into Default.

Upon entry into default, the domain name at issue remains locked at the registry (meaning it cannot be sold, transferred, or assigned) for the duration of the registration period. In addition, the domain name will be deactivated from use in connection with any registrant’s website. Instead, a standard page will be posted in connection with the domain name, such as:

“This domain name is no longer active as a result of a Rapid Suspension proceeding. For more information, please visit www.[URLofthirdpartyreviewer].com.”

Similarly, the Whois record will reflect that the domain name is on hold and unable to be transferred or used for any purpose for the life of the registration (including renewal by the same or related registrant).

This will provide notice to any third party who may be visiting either for due diligence, or because they are trying to find a brand or for that random person who goes to look at their site and wants to know why it is down.

During the period of default, the Registrant cannot (a) change the content found on the site in an attempt to argue the site is used in connection with legitimate means and thus regain access to it or (b) change the Whois information.

Should a Registrant find their domain name has been taken down after the fourteen-day Answer period has passed and wishes to file a legitimate Answer to the Complainant, the Registrant may file a Default Answer to the third-party dispute provider at any time during the life of the domain name registration.

To file a Default Answer, the Registrant must fill in a form Request for Default Answer (in the form attached as Exhibit D) and submit it to the third-party dispute provider for examination. The Default Answer, if filed within thirty-days of the Default will cost nothing more than it would cost to answer in a timely fashion. If the Default Answer is filed after thirty-days of the Default, a small additional fee will be imposed.14

Upon the successful filing of a Default Answer the domain name takedown will be immediately revoked and the domain name may resolve pending the outcome of the

13 ServerHold in EPP protocol.

14 Unless the matter at hand involves numerous domain names (see the debate in connection with filing of an Answer) at which point the fee may be higher.
Examiner’s examination. To avoid improper gaming of the system, the decision of the URS Examiner shall be based on the status and use of the disputed domain name at the time of the filing of the complaint.

7. EXAMINATION

If a Registrant submits a complete answer within the 14 days period, Complainant is immediately notified that an answer has been received and that a Final Evaluation of the complaint and answer will be initiated. The Final Evaluation of the case shall be made by a qualified legal expert with experience as a Panelist in UDRP proceedings who would be retained by a third party provider. This third party provider would operate the URS services on a cost-recovery basis, and would not be an entity that currently provides UDRP services.\(^\text{15}\)

The Final Evaluation analysis involves consideration of three basic issues, similar to the standards for a UDRP decision, but requires a much higher burden of proof. The Examiner shall consider each of the following factors:

- Whether the domain name is identical or confusingly similar to a mark in which the Complainant holds a valid trademark registration issued by a jurisdiction that conducts substantive examination of trademark applications prior to registration. [A list of such jurisdictions shall be compiled and made available to parties and Examiners].
- Whether the domain name registrant lacks any right or legitimate interest in the domain name.
- Whether the domain name has been registered or used in bad faith.

If the Examiner finds that all of these elements are satisfied by clear and convincing evidence and that there is no contestable material issue, then the Examiner shall issue a decision in favor of the Complainant. If the Examiner finds that this test is not met, then the Examiner shall deny the relief requested terminating the URS process without prejudice to the ability of the Complainant to proceed with an action in court or under the UDRP.

We note that the standard for decision is not the same as that under the UDRP. Under the UDRP determinations are made based on a preponderance of the evidence, i.e., is it more likely than not that the required element has been proven. Under the URS the test would be based on clear and convincing evidence that there is no contestable

\(^{15}\) The IRT recognizes the risk of an appearance of conflict of interest if the URS provider is also a UDRP provider, as decisions might appear to be influenced by the potential of filing fees obtained through UDRP proceedings or other possible conflicts. While in reality this risk may be remote due to the use of independent examiners and the institutional integrity of the providers, the use of a separate URS provider would likely be the best option to avoid the appearance of conflict.
material issue. If there is a contestable issue, the matter is not appropriate for decision under the URS and the Complainant should pursue a decision in a different forum.16

A decision in the form attached as Exhibit C will be used by the Examiner to report the results of the proceeding to the parties. The URS Form will contain the following elements:

- Name of the parties
- The mark(s) and registration(s) on which the complaint is based
- The disputed domain name(s)
- A finding on whether the domain name(s) is identical or confusingly similar to the mark(s), with short comments
- A finding on whether there is a lack of right or legitimate interest in the domain name(s), with short comments
- A finding on whether the domain name(s) was registered or used in bad faith, with short comments
- A conclusion on whether it appears by clear and convincing evidence that there is no material contestable issue and that the Complainant is entitled to relief in the form of an order for the suspension of the domain name(s)
- A finding on whether the complaint is abusive

Based on consultation with qualified UDRP panelists, it is estimated that review of the URS form Complaint and Answer and preparation of the URS form, a decision in most cases could be completed in 15 minutes (keeping in mind the process is for blatant and obvious violations and that Examiners will take whatever time is necessary to render a decision).17

Once the decision is rendered, it will be returned electronically to the case manager who shall submit it to the parties and to the registry and registrar for immediate action. If a complainant is successful after examination, the domain name at issue remains locked and deactivated at the registry as outlined above in the case of a default.

8. APPEAL

16 For example, if the trademark in question is BRANDXYZ for use in connection with computers and the domain name in question is brandxyz.[gtld] and is used in connection with an abusive pay-per-click site, the site would be frozen. If the domain name is brandxyzcomputers.[gtld] and the record shows that it is a bona fide retailer who legitimately sells BRANDXYZ computers, the URS complaint would be denied.

17 The time for examining the two statements and producing a written report as outlined above should be finite. The IRT recommends no more than 5 days from beginning of examination to issuance of the report but welcomes input from the community as to the appropriate time to be allowed for this review.
The losing party may appeal in the following manner:

- If the complaint is denied, the Complainant may initiate a proceeding *de novo* under the UDRP or in a court of appropriate jurisdiction.

- If the complaint is granted, the Registrant may request reconsideration on the original record by a URS ombudsman on the grounds that the decision was arbitrary and capricious or an abuse of discretion by the Examiner, or may initiate a proceeding *de novo* in a court of appropriate jurisdiction.

- If the Examiner finds that the complaint was abusive, the Complainant may similarly request reconsideration on the original record by a URS ombudsman on the grounds that the decision was arbitrary and capricious or an abuse of discretion by the Examiner.

- Costs of any appeal to the URS ombudsman will be borne by the appellant.

9. ABUSIVE COMPLAINTS

The URS should have a low tolerance for abusive complaints. One goal of the IRT is to penalize aggressive trademark holders that may abuse the URS. If a Complainant has been held to have filed abusive complaints on three occasions, the Complainant will be barred from utilizing the URS for a one-year following the date of the last abusive complaint.
EXHIBIT A
FORM COMPLAINT

(to be added)
EXHIBIT B
FORM ANSWER

(to be added)
EXHIBIT C
FORM URS DECISION

(to be added)
EXHIBIT D
REQUEST FOR APPEAL FORM

(to be added)
EXHIBIT E
TIERED FEE SCHEDULE

(to be added)
IRT REPORT AND RECOMMENDATION ON POST-DELEGATION DISPUTE MECHANISM

As part of the IRT process, the IRT considered the numerous public comments calling for ICANN to create a mechanism for a post-delegation challenge to certain activities of new gTLD registries specifically enumerated in 2.1 below. In considering these comments, members reviewed the WIPO proposal entitled “Post-Delegation Procedure for New gTLD Registries Substantive Criteria and Remedies” communicated to ICANN on 5 February, 2009. In addition, members of the IRT task force assigned to consider this proposal had a telephone conference with Erik Wilbers and Eun-Joo Min from WIPO during its first face-to-face meeting held in Washington, DC 1-2 April, 2009. As with all the proposals considered by the IRT, the task force members considered the proposal in light of the 10 guiding principals that the IRT used as a base line assessment for all possible solutions considered during the IRT process.¹

In addition to consideration of the 10 guiding principles, the task force reviewed the WIPO proposal. However, after consultation and exploration, the IRT determined that more comprehensive changes to the Post-Delegation Dispute Mechanism proposed by WIPO were required in order to make the mechanism reasonable and workable. The IRT’s proposed revised mechanism is set forth in Section 2 below. Finally, the task force members reviewed the latest version of the proposed Registry Agreement which is appended to the second Draft Applicant Guidebook and concluded that certain contractual provisions contained in the draft agreement will require modification in order to incorporate the IRT’s recommended form of the Post-Delegation Dispute Mechanism.²

Like all the IRT’s proposals, the recommended Post-Delegation Dispute Mechanism is only one of several interdependent protection mechanisms being put forth. That is to say, that some of the compromises reached with regard to the Post-Delegation Dispute Mechanism were possible due to the fact that other mechanisms are being recommended that, when implemented in conjunction with the IRT’s recommendation on the Post-Delegation Dispute Mechanism, create and interwoven tapestry of recommended protections.

1. SUMMARY OF IRT SUGGESTED REVISIONS TO WIPO PROPOSED MECHANISM

After reviewing the WIPO proposal and having a very informative discussion with WIPO representatives, a consensus of the IRT believes that a Post-Delegation Dispute Mechanism may be workable. However, the members felt that third parties should not be party to the dispute. Basically, the post-delegation dispute is a contract dispute between ICANN and the contracted registry. For this reason, the IRT recommends that

¹ See, Appendix A attached hereto and hereby incorporated by reference.

² The IRT is aware of concerns that have been raised in the past -- some in the DAG public comment process -- about ICANN’s compliance efforts. Nonetheless, the IRT believes that the obligation for addressing post-delegation disputes between ICANN and the contracted registry properly rests with ICANN and not an unrelated entity.
the mechanism be revised so that a third party would submit a claim to ICANN via an
online form and pay a refundable deposit of __________^3^ by credit card at the time of
the form is filed. This form would allow a third party to advise ICANN of an alleged
breach of the registry agreement related to the rights of the third party (this breach
would be of the nature set out below in Section 2.1). ICANN would have a system
whereby it formally acknowledges the complaint notification and then have a fixed
period of time to investigate and report back to the complaining third party. In the event
that ICANN’s investigation should discover that the registry is in fact in breach of its
contractual obligations, ICANN must utilize the various enforcement mechanisms
contained within the applicable Registry Agreement. In the event that ICANN’s
investigation reveals facts that may support the third party’s claim, but is unable to
demonstrate in fact that the Registry Operator is in breach of its Registry Agreement,
then ICANN and Registry Operator must attempt to resolve the dispute by engaging in
good faith discussion over a period of at least fifteen (15) calendar days. If the Parties
are unable to resolve the dispute to the satisfaction of ICANN, ICANN shall be required
to institute the Post-Delegation Dispute set forth below through an accredited DRP. The
third party complainer would not participate in the Post-Delegation Dispute Mechanism
unless it voluntarily chose to do so. Participation by the third party would be funded
completely by the third party and would not bestow any additional rights on the third
party. ICANN would pay for the procedure unless the DRP found that the costs and fees
associated with the procedure should be paid by the offending registry. All decision by
the DRP should be fully appealable by either party in a court of competent jurisdiction.

If ICANN should determine that the third party complaint was frivolous, the complainant
would lose its initial deposit. Additionally, any complainant found to have filed frivolous
complaints^4^ on three (3) separate occasions by ICANN during the investigation stage
would be barred from filing any complaints under the Post-Delegation Dispute
Mechanism for a period of one (1) year and a complainant found to have filed a frivolous
complainant by either ICANN or a Panel any time after serving a one (1) year bar would
be permanently barred from using the mechanism. Similarly, a complainant found to
have filed two (2) frivolous complaints by a DRP Panel after a full blown proceeding on
the complaint would be completely barred from filing any further complaints under the
mechanism regardless of whether the complainant had ever had a one (1) year bar
imposed previously.

2. POST-DELEGATION DISPUTE MECHANISM AS REVISED BY THE IRT

2.1 Applicable Disputes

2.1.1 A Registry Operator, as defined in the applicable Registry Agreement
with ICANN, shall be required to submit to a mandatory administrative

[^3]: The amount of the fee should be meaningful enough to deter arbitrary and capricious claims, but also be refunded
to the complainant in the event that its claim is meritorious.

[^4]: The finding of a whether a complaint was “frivolous” could occur at two separate points in the system. First, ICANN
could make such a determination at the end of its investigation. Second, a Panel could make such a determination
in its final decision. In either case, a complaint would be “frivolous” only if the complaint is found to be totally
without merit or if it was filed merely to harass the Registry Operator against whom the complaint was filed.
proceeding where a third party (complainant) has filed a complaint with ICANN asserting that:

2.1.1.1 The Registry Operator's manner of operation or use of a TLD, the TLD string of which is identical or confusingly 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

2.1.1.2 The Registry Operator's manner of operation or use of the TLD:

- Is inconsistent with the specific rights protection mechanisms enumerated in such Registry Operator's Agreement; and

- Causes or materially contributes to domain name registrations therein, which are identical or confusingly similar to the complainant's mark, meeting any of the conditions 2.1.1.1 (a), (b), or (c) above; and

2.1.1.3 ICANN and the Registry Operator have failed to resolve the dispute during the fifteen (15) calendar day period set out in the Registry Agreement.

2.2 Consideration Factors

2.2.1 For purposes of determining whether the Registry Operator's manner of operation or use of the TLD causes or materially contributes to such TLD or domain name registrations therein meeting conditions (a), (b), or (c) described in Section 2.1, the Panel shall take into consideration the following factors:

2.2.1.1 Whether the Registry Operator intentionally induced, knowingly permitted, or could not have reasonably been unaware of domain name registrations in the TLD that meet any of the conditions (a), (b), or (c), described in Section 2.1;

2.2.1.2 Whether the Registry Operator has effectively implemented the Uniform Dispute Resolution Policy and the Uniform Rapid Suspension System;

2.2.1.3 Whether the Registry Operator's manner of operation or use of the TLD is consistent with the representations made in the TLD
application as approved by ICANN and incorporated into the applicable Registry Agreement; and

2.2.1.4 The context, environment or other surrounding circumstances applicable to the Registry Operator.\(^5\)

2.2.2 For purpose of determining whether the TLD or domain name registrations therein meet conditions (a), (b), or (c) described in Section 2.1, the Panel may take into consideration any decisions rendered under the New gTLD Dispute Resolution Procedure for Legal Rights Objections (Pre-Delegation) or any decisions under the Uniform Domain Name Dispute Resolution Policy against the Registry Operator or any of its affiliates.

2.3 Remedy

The Panel may, in its sole discretion, issue a finding determining whether or not it believes the Registry Operator has acted in compliance with its Registry Agreement with respect to the subject matter in dispute. In the event of a finding that the Registry Operator is not in compliance with its Registry Agreement with respect to the subject matter giving rise to the dispute, ICANN shall invoke any enforcement mechanisms available to it under the applicable Registry Agreement. All DRP decisions should be published on the DRP's website and the ICANN website.

2.4 Enforcement Tools

The IRT further recommends that the draft Registry Agreement be revised to include a variety of graduated enforcement tools such as those recently recommended for implementation in the RAA such as:

2.4.1 Sanctions & Suspension – Providing for escalated compliance enforcement tools such as monetary sanctions and suspension of registering domain names.

2.4.2 Group Liability – Preventing "serial misconduct" by registries when another affiliated (by common control) registry’s or registrar’s agreement with ICANN is terminated.

2.4.3 Termination of Contract – Providing for the termination of a registry agreement should a Registry Operator be found by 3 separate Panels to have violated its contract under Section 2.1 within any 18-month period.

\(^5\) For example, a Panel could take into account whether the activity encompassed by the manner of operation or use of the TLD that is at issue implicates or involves registrars that are affiliates of the Registry Operator. The IRT offers no comments on whether the registry/registrar separation rules should be relaxed; however, if those rules are relaxed to allow affiliates of a Registry Operator to also serve as a registrar in the same TLD, then such consideration by the Panel may be appropriate. The IRT welcomes comments from the community on this point.
2.5 Costs

ICANN shall be required to pay the dispute provider an initial fixed fee. No action shall be taken by the dispute provider until it has received from ICANN the initial fee. If the dispute provider has not received the fee within ten (10) calendar days of receiving the complaint, the complaint shall be deemed withdrawn and the administrative proceeding terminated. The Panel may furthermore order that the Registry Operator pay for the costs of the procedure (but no monetary damages or attorney costs) if it issues a finding against the Registry Operator.

2.6 Availability of Court or other Administrative Proceedings

The mandatory administrative proceeding requirements set forth above shall not prevent Registry Operator or ICANN from submitting the dispute to an administrative panel in accordance with its applicable Registry Agreement or to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. In the event of any legal proceedings initiated prior to or during an administrative proceeding in respect of a dispute that is the subject of the complaint, including but not limited to, an arbitration between ICANN and the Registry Operator under the applicable Registry Agreement, the Panel shall either suspend or terminate the administrative proceeding.

Any decision by the Panel shall not be implemented for a period of at least ten (10) business days (as observed by ICANN). During such time, either ICANN or the Registry Operator shall have the right to file a formal dispute under the applicable dispute resolution process as set forth in its Registry Agreement. The filing of such a dispute shall suspend the implementation of any remedies ordered hereunder pending the outcome of such dispute resolution process.

In addition, any findings under this dispute process shall not act as precedent or otherwise affect or influence the resolution of subsequent disputes, nor shall it be relied upon or used against either Party in the resolution of any subsequent disputes.
APPENDIX A

IRT CONSIDERATION OF WIPO POST-DELEGATION DISPUTE POLICY

1. Will it scale?

Probably, if ICANN engages a variety of DRPs to provide services under the policy. With advent of an unlimited number of gTLDs, the UDRP situation could overwhelm any one provider of services. Further analysis of possible mechanisms is required. The IRT also believes that the Registry Constituency should immediately begin work on a set of industry best practices to better inform the process.

2. Does it accommodate the limits and territorial character of trademark rights?

As originally proposed by WIPO, we do think the mechanism does fit the territorial limits especially with regard to the issue of injunctive relief which is not available in many jurisdictions and in most is considered an extraordinary remedy with very high burdens of proof.

We think that contractually building the policy between ICANN and the Registry could solve the problem, without prejudice to the fact that any given party can resort to local courts to try to find redress.

3. Does it work for IDNs?

We believe the mechanism will work for IDNs and all gTLDs if the proposal is revised as we have recommended.

4. What are the costs and who pays them?

ICANN. There would a standardized on-line form for submitting claims to ICANN. The terms of service should have adequate mechanisms for preventing gaming of the system by filing malicious and/or false complaints. We envision a procedure whereby a third party can institute the process by filing the simple on-line form and paying a deposit that would be refunded after the ICANN investigation should the complaint be legitimate.

5. How could it be abused/gamed? Have these risks been minimized?

There is a possibility of false or malicious claims, which could be minimized by the posting of a financial commitment to act in good faith.

6. Is it the least burdensome solution that will solve the problem?

No. It’s least burdensome for ICANN to effective enforce its contracts.

Unfortunately, ICANN has historically failed to do so. The implementation of this type of policy would go a long way to restoring confidence in the system. Currently, there is a perception that ICANN does not effectively enforce its contracts because it does not want to offend the registries who claim to be one
of the sole providers of funds to ICANN's budget. The IRT does not endorse the registry position on ICANN funding because in reality the funds for ICANN are derived from fees paid by users. ICANN should absorb the costs of enforcing its contracts unless a DRP should determine that all fees and costs associated with the dispute should be paid by the offending registry.

7. Is it technologically feasible?

Yes.

8. How will it affect consumers and competition?

It will protect consumers and enhance competition. Consumers would have a simple, fast, effective remedy to protect rights at no cost, provided the complaint is legitimate. The new mechanism would allow for Registries to avoid being boycotted by third parties and assist in leveling the playing field by weeding out those registry practices that are in breach of contractual obligations.

9. Could it be characterized as creating new legal rights?

No. It would only enforce existing contractual rights.
IRT RECOMMENDATION OF THICK WHOIS MODEL
(FOR ALL NEW TLDs TO PROVIDE WHOIS INFORMATION UNDER
THE THICK WHOIS OR REGISTRY LEVEL WHOIS MODEL)

As part of its charge, the IRT considered the public comments filed during the public comment period on the first Draft Guidebook for New gTLD Applicants (“DAG”). In doing so, the IRT identified numerous public comments calling for ICANN to amend the draft Registry Agreement set forth in the DAG to include a provision requiring all registry operators of new gTLDs to provide WHOIS information under the Thick WHOIS model as is done in the .info and .biz registries. For clarification, the IRT defines the “Thick WHOIS” model as the central, registry-level provision of WHOIS information for all domain names registered within the registry. This model is in contrast to the “Thin WHOIS” model whereby the registry-level information is very limited and Internet users must rely on the registrar-level for the submission of robust WHOIS data.

As agreed upon by all the members of the IRT, the task force members consider this recommendation in light of the 10 guiding principals that the IRT used as a base line assessment for all possible solutions considered during the IRT process.1

After carefully consideration, the IRT believes that the provision of WHOIS information at the registry level under the Thick WHOIS model is essential to the cost-effective protection of consumers and intellectual property owners. For this reason, the IRT recommends that ICANN amend the proposed Registry Agreement to include an obligation that all registry operators for new gTLDs must provide registry-level WHOIS under the Thick WHOIS model currently in place in the .info and .biz registries.

In addition, the IRT recommends that ICANN immediately begin to explore the establishment of a central, universal WHOIS database to be maintained by ICANN. Such a Universal database would provide robust, publicly accessible WHOIS database covering all gTLDs. The IRT understands that ICANN requested that this initiative take place as part of the .net redelegation. However, the IRT is not aware that this project has ever been started.

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1 See Appendix A attached hereto and hereby incorporated by reference.
1. Will it scale?

Yes. No scalability issues were identified given that the “Thick WHOIS” model is currently used by some of the existing registries.

ICANN required VeriSign as a part of the .net redelegation to commit substantial resources toward the development of a Universal WHOIS database that would serve as a central database for ALL WHOIS data regardless of source. The IRT is unaware of any efforts to fulfill this requirement and strongly urges ICANN and VeriSign to begin efforts to complete this task as soon as possible.

2. Does it accommodate the limits and territorial character of trademark rights?

Yes. It is neutral regarding trademark rights.

3. Does it work for IDNs?

Yes.

4. What are the costs and who pays them?

Lack of readily available WHOIS data from a unified source generates costs to consumers, law enforcement, IP owners. In addition, the failure of ICANN to adequately enforce its contracts with registrars has only exacerbated the situation. The IRT feels that a centralized Universal WHOIS database maintain by ICANN would help eliminate much of the administrative costs associated with today’s disjointed WHOIS situation.

5. How could it be abused/gamed? Have these risks been minimized?

It could be used for marketing purposes; however, the IRT believes that appropriate mechanism can be designed to greatly reduce gaming.

6. Is it the least burdensome solution that will solve the problem?

Yes.

7. Is it technologically feasible?

Yes.
8. **How will it affect consumers and competition?**

   It will reduce the numbers of player that ICANN needs to policy thereby ensuring that the contractual obligations are met, and it will provide consumers and law enforcement with reliable information.

9. **Could it be characterized as creating new legal rights?**

   No.
The IRT reviewed numerous public comments that called for a revision to the string confusion review that will be used during the Initial Evaluation of new gTLD applications. This procedure may be found in Section 2.1.1.1 of the DAG. Specifically, many comments stated that reliance on visual similarity alone was insufficient. In fact, it is the position of the IRT that expanding the analysis to also include consideration of the aural and commercial impression (meaning) created by the string would assist in passing more applications through the system. Accordingly, the IRT recommends that the algorithm only be used to identify those strings that require the application of further analysis. Given that legacy registries (gTLD, sTLD and ccTLD) and trademark owners (GPML) will have the opportunity to object at a later point in the application process, it is felt that a simple expansion of the test for string comparison during the initial evaluation will not prejudice any third parties and will assist in eliminating any false positives caused by a simple visual comparison of strings. As agreed upon in its initial face-to-face meeting, the IRT task force charged with considering this issue did consider its proposed recommendation in light of the 10 guiding principles and believes that its recommendation should be implemented by ICANN in the third iteration of the DAG.

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1 It is expected that the same test will be applied all stings to which the proposed gTLD applications will be compared (e.g., legacy TLDs, Reserved Names or Globally Protected Marks List).
2 Globally Protected Marks List, see ________________________________.
3 See Appendix A attached hereto and hereby incorporated by reference.
APPENDIX
ALGORITHM

1. Will it scale?
   Yes. Issue of multiple languages should be analyzed.

2. Does it accommodate the limits and territorial character of trademark rights?
   It does not relate to trademark rights. Only strings.

3. Does it work for IDNs?
   Yes.

4. What are the costs and who pays them?
   Hiring the additional analysis staff. ICANN.

5. How could it be abused/gamed? Have these risks been minimized?
   The second analysis is built in to avoid abuse.

6. Is it the least burdensome solution that will solve the problem?
   Yes. If the algorithm is used at the top level only.

7. Is it technologically feasible?
   Yes.

8. How will it affect consumers and competition?
   It will screen out false positives, which will allow for additional applications to be filed, and for some more competition. Consumer confusion can be avoided.

9. Could it be characterized as creating new legal rights?
   No.