

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~~ two-day face-to-face ~~meeting~~ meetings, and one full-day face-to-face consultations with remote participation via teleconference with various interest groups resulting in draft recommendations for several proposed solutions that are described herein:

- IP Clearinghouse, Globally Protected Marks List and associated ~~rights protection mechanisms~~ Rights Protection Mechanisms (“RPMs”), 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~~ A Preliminary Report ~~will be~~ was posted on 24 April, 2009 for a thirty (30) day comment period <http://www.icann.org/en/public-comment/public-comment-200905.html#irtpdr> that ~~closes~~ closed 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~~ See <http://www.icann.org/en/public-comment/public-comment-200905.html#irtpdr>. This Final Draft Report will be submitted to the ICANN Board and posted for public comment on 29 May, 2009 for a thirty (30) day comment period that closes on 29 June, 2009. Comments can be submitted at <http://www.icann.org/en/public-comment/public-comment-200906.html#irt-report>.

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 posted¹ (https://st.icann.org/data/workspaces/new-gtld-overarching-issues/attachments/trademark_protection:20090407232008-0-9336/original/IRT-Directory.pdf) and Caroline G. Chicoine was installed as Chair. The 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~~ A listing of these individuals along with their statements of interest are attached as Appendix A. The team has held numerous teleconferences ~~and one, two~~ two-day face-to-face ~~meeting meetings~~ meetings in Washington, DC and San Francisco, CA, respectively, and one full-day face-to-face consultations in San Francisco, CA, 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~~ its mandate that should be given additional 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;

¹ These links are to wiki pages that require passwords in order to contribute. Passwords are publicly available by sending an email to ngtld-overarching-issues@icann.org as indicated on https://st.icann.org/new-gtld-overarching-issues/index.cgi?new_gtld_overarching_issues.

- 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~~spent 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 (“RPMs”), 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 should be emphasized that the IRT was tasked to propose recommendations for new gTLDs and that the proposals contained herein are not currently intended to apply to other than new gTLDs.

It should also be emphasized that 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 and that each proposal presented herein is part 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, which are interrelated and interdependent. The proposals have been designed comprehensively to balance in relation to one another and the removal of any proposal will likely require further strengthening of the others.

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~~undertook 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, as well as individual IRT members, 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 fully consider every other proposal given the time constraints. However, the IRT did identify one proposal, in particular, that it believes should be further considered to determine whether it has any merit: namely the development of universal standards and practices for proxy domain name registration services.

Many of those who filed comments to the DAG have asked that ICANN consider the issue of proxy domain name registrations with regard to new gTLDs. The IRT recognizes that proxy domain name registration services raise complex concerns that require a great deal more analysis and consideration that were outside the limited time frame available. As a result, the IRT takes no position at this time on proxy domain name registrations. The IRT does recommend, however, that ICANN consider this issue and report to the community on whether it should or is able to make any recommendations with regard to the use, standards and practices of proxy registrations. The timetable of such recommendations may be independent of the timetable for the introduction of new gTLDs, but the IRT strongly recommends that ICANN's consideration of this issue commence as soon as possible.

The IRT was also able to briefly identify various additional proposals from the public comments to DAG1 and 2 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.

For the sake of clarity, the inclusion of these other proposals should in no way be interpreted as a decision by the IRT as to the merits thereof. In addition, the IRT's recommendations in this Final Draft Report should in no way be interpreted as a recommendation for or against the introduction of new gTLDs. The proposals set forth herein are being recommended if ICANN proceeds with the rollout of new gTLDs as planned.

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 regarding the IRT 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 IRT is submitting this Final Draft Report to 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.~~

Specifically, it is the intention of the IRT to present this Final Draft Report to the ICANN Board at the Sydney Open Meeting on 21 June, 2009, as well as to provide briefings to the GNSO, interested Constituencies, and others during the Sydney meeting. Members of the IRT will also be participating in a telephone briefing with ALAC on 4 June, 2009, as well as two other consultations ICANN is hosting on 13 July, 2009 in New York and on 15 July, 2009 in London.

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~~each recommended proposal, the work team took into account the following framework and considerations:

- The recommendation should satisfy the checklist criteria agreed on by the IRT;
- The recommendation should protect the existing rights of trademark owners, but ~~not~~neither expand those rights nor create additional legal rights;
- The recommendation should provide clear benefits to trademark owners and new gTLD registries, 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, gTLD registries, registrars 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. Finally, the IRT wishes to emphasize that its recommendations are not intended to replace or eliminate existing protections for legal rights, including recourse to national courts and under ICANN’s Uniform Dispute Resolution Policy (UDRP) or the proposed Uniform Rapid Suspension system (URS).

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~~ protected marks may ~~justify~~ be entitled to a higher level of protection than ~~lesser-known~~ marks protected regionally or in only one country;
- 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 (“the UDRP”)~~ already provides the basis and practice for ~~determining~~ resolving cyber-squatting disputes ~~and similar problems~~ arising from ~~the~~ bad faith, ~~illegitimate~~ registration and use of domain name registrations names as well as the IRT’s proposed URS, which should be mandatory and will provide additional protections for clear cut cases of cybersquatting.

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~~ would not be 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 balanced, 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~~ the creation of an IP Clearinghouse to support new gTLD registries, in general, and in operating cost-effective RPMs ~~of all kinds~~ that do not place a heavy financial or administrative burden on trademark owners, in particular. The IP Clearinghouse will function (1) as the central entity with which all new gTLD registries, and possibly registrars, interact in relation to the Globally Protected Marks List and the Pre-Launch IP Claims Service also recommended by the IRT; and (2) as an information repository performing specific information collection and data validation services as described herein. It can also perform similar functions for other types of RPMs besides those recommended by the IRT at this point. The main features of the IP Clearinghouse should include the following:

- The IP Clearinghouse ~~can hold information on~~ must be capable of holding data relating to the legal rights of ~~all kinds~~ trademark owners, including both registered rights and unregistered rights.² ~~This information, which can be in any script, can~~ Such data will 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 data should be submitted by trademark owners directly, or through a registry or registrar, to the IP Clearinghouse together with a reasonable fee. 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 validate this data is validated~~

² Most ~~Pre-Launch~~ pre-launch RPMs have ~~focused~~ focused 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~~ pre-launch RPM other types of rights, such as ~~Unregistered Trade Marks, Company Names, Trading Names, Designations~~ unregistered trademarks, company names, trading names, designations of ~~Origin, Geographical Names, Family & Personal Names~~ origin, geographical names, family and personal names, etc. Therefore, the IRT recommends that 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.

initially and every year thereafter to ensure accuracy.³ Validated data can then be pushed by the IP Clearinghouse to new gTLD registry operators, or pulled by [these registries or registrars](#) to support [applications pre-launch RPMs](#) 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;⁴~~
- ~~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 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:

³ [The initial submission of data 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 it. The trademark owner is responsible for timely updating and correcting data in between annual validations as circumstances warrant \(e.g., acquisition of new portfolio, expiration of registration, successful third-party challenge to registration\). A trademark owner's failure to provide an accurate and complete annual validation affidavit or declaration or its failure to provide a timely, accurate, and complete interim update could result in a sanction or penalty. The IRT defers the identification of such a sanction or penalty to the IP Clearinghouse operator.](#)

⁴ ~~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.~~

- ~~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 errors as well as the [Globally Protected Marks List](#) and the [Pre-Launch IP Claims Service](#).~~
- ~~For Trademark owners must grant a non-exclusive, royalty-free, sublicensable license to their data to ICANN, which will in turn sublicense it to the IP Clearinghouse. Access to and use of such data must be restricted to trademark owners (who will be permitted to access and use only their own data), ICANN, new gTLD registries and registrars, for the sole purpose of performing the data validation functions for new gTLD registries and the implementation of RPMs, e.g., in relation to the Globally Protected Marks List, the Pre-Launch IP Claims Service and the URS. Ownership of any and all data submitted to or generated by the IP Clearinghouse must remain exclusively with the entity providing such data.~~
- ~~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 must 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 entity under a renewable multi-year contract with ICANN of at least five (5) years. The contract must be awarded on the basis of an open, competitive tender.⁵~~

⁵ The IRT considered public comments questioning whether IP Clearinghouse services should be provided by a single entity. The IRT believes that, for reasons of efficiency, consistency of validation and cost, a single provider is the most appropriate recommendation, provided that the process used to solicit tenders for and awarding the contract is open and transparent.

- The IP Clearinghouse ~~should~~must be operated by a neutral service provider that is not affiliated with any party contracted currently in a direct contractual relationship with ICANN to provide domain name registration services including that of a gTLD registry, registrar or other technical provider of domain name services to a gTLD registry or registrar. The IP Clearinghouse must commit to a strict code of conduct that, among other things, requires it to provide equitable access to its services by all entities seeking to use the IP Clearinghouse.
- ~~▪ 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, including the availability of commercially reasonable customer support services.
- The cost to a ~~rights~~trademark 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~~trademark owner with many names/brands, taking into account the complexity of the platform, the costs of validating trademark records from every country in the world and the potential liabilities of the IP Clearinghouse operator.⁶
- The IP Clearinghouse must be technically “state-of-the-art”; and its daily operation must enhance the rapid provisioning of domain registrations. For example, it ~~should probably~~must support EPP. ~~It~~ as well as offer a web interface, and 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~~The IP Clearinghouse must be highly scalable. For example, it should be able to accommodate identical trademarks registered under different classes of goods or services or in different trademark registration offices, recognizing the territorial nature of trademark law and international classification systems.
- ~~▪ 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~~The IP Clearinghouse must be able to accommodate all types of registered trademarks, including word marks and device (logo) marks that contain a word element from

⁶ It should be noted that the fees paid by the rights owners for the validation of applications in recent gTLD Pre-Launch ~~RPMs~~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)~~The first two categories of fees were often bundled together by the registry operator to create the “wholesale” price for registrars. ~~Registry~~The IRT has been advised that registry operators have not sought any control over the final “retail” price charged by registrars as this could be seen as anti-competitive.

every trademark registration office in the world. This global spread is important so that the IP Clearinghouse can support IDN registries.

- The IP Clearinghouse must be able to 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.

SERVICES TO BE PROVIDED BY THE IP CLEARINGHOUSE

The IRT intends that each of the services described below shall be provided by the IP Clearinghouse at no charge to the gTLD registries or registrars that are required to interact with the IP Clearinghouse to implement the recommended RPMs. If a new gTLD registry decides to implement an RPM above and beyond those recommended herein, any incremental services necessitated thereby shall be provided on no greater than a cost plus basis to that new gTLD registry.

The services to be provided by the IP Clearinghouse are:

- The **validation of trademark rights on an annual basis** which can be pushed to new gTLD registry operators or pulled by them to support pre-launch RPMs such as Sunrise schemes;
- A **Globally Protected Marks List** of trademarks satisfying the strict requirements recommended herein that has the effect of limiting third-party applications for (a) top-level domains that match or are confusingly similar to trademarks on the list; and (b) second-level domains that match trademarks on the list; and
- A **Pre-Launch IP Claims Service** that will notify new gTLD applicants and trademark owners that a current validated right exists for the identical term being applied for at the second level.⁷
- The generation of data for and participation in **URS** pre-registration, and validation of URS complaint claims regarding trademark rights.⁸

⁷ The IRT considered whether the IP Claims Service should also extend to the post-launch period. The IRT concluded that it was unnecessary to extend the IP Claims Service post-launch because of the protections afforded by the URS that the IRT also recommends herein.

⁸ The IRT notes that it is possible for the IP Clearinghouse to act also as the repository for and source for retrieval of URS decisions. While the IRT supports the requirement that URS decisions be stored in a centralized location, it does not believe it is necessary to require that the location be the IP Clearinghouse as long as there is a viable, open option to provide access to and searching of the decision.

The IRT believes that an **IP Watch Notice** service would be a highly useful tool for trademark owners. Because similar services already exist in the market, the IRT does not believe that the IP Clearinghouse should be required to or exclusively provide such a service. Nonetheless, the IP Clearinghouse should not be prohibited or prevented from offering such a service, provided that it should not use the data submitted to it by trademark owners in relation to either the Globally Protected Marks List or the Pre-Launch IP Claims Service for such purpose.

The IP Clearinghouse operator must, upon request by new gTLD registry operators, provide reasonable opportunity for those new gTLD registry operators to consult with it at no charge as those registry operators draft policies and create processes to implement RPMs. This is essential to ensure that new registry operators can interact effectively with the IP Clearinghouse.

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~~ (“Globally 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~~ IRT intends 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 strictly enforced.⁹ 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~~ The IRT wishes to emphasize that the GPML is not intended to be a reserved list by which trademark owners will be able to simply block pending domain name applications or reserve domain names in advance. The GPML is also not a consolidated list of what may constitute “well known” or “famous” marks under national trademark laws, and should not be interpreted as such. Further, the IRT does not intend the GPML to possess any precedential value in any dispute or resolution proceeding in relation thereof, and the IRT believes that it should not be used or relied on for this purpose.

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

⁹ The IRT received comments characterizing the GPML standards recommended in this report as favoring Western economies. The IRT has no intention of favoring any economy, country, or region; its intention was to develop objective criteria to identify globally protected trademarks.

listed below. After the initial gTLD application round, these criteria should be evaluated and, if appropriate, revised. The recommended criteria are as follows:

- Ownership by the trademark owner of 200[number] trademark registrations of national effect¹⁰⁻¹¹ for the applied-for a-GPM¹² that have issued in at least 90[number] countries¹³⁻¹⁴ across all 5 ICANN Regions, with at least:
 - [number] registrations in the North American region
 - [number] registrations in the European region
 - [number] registrations in the African region
 - [number] registrations in the Asian/Australian/Pacific region
 - [number] registrations in the Latin American/Caribbean region

(NOTE: As a result of the public comments received in response to its initial draft report, the IRT has requested ICANN staff to collect relevant trademark registration data. The IRT has refrained from recommending particular numbers and thresholds at this time, pending the collection and review of the relevant data. The IRT emphasizes, however, that the final number and thresholds to be adopted for the GPML, including the required number of registrations and countries, must be sufficiently high such that the marks that qualify for the GPML are actually recognized as globally protected.)

- All trademark registrations must have issued on or before the date that GPML applications are first accepted and must be based on trademark registration applications filed on or before 1 November¹⁵, 2008¹⁶.

¹⁰ ~~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.~~

¹¹ 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.

¹² Although the trademark owner may rely on registrations that contain a design element or depict the applied-for GPM in stylized form, the only textual elements in the supporting registrations must be identical to the applied-for GPM.

¹³ ~~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.~~

¹⁴ The IRT needed to decide how to account for registrations of supranational effect. The IRT decided to treat them as separate registrations for each covered country. For example, a Community Trade Mark registration would count as 27 registrations in 27 countries. The IRT based this decision on its belief that the GPML criteria will require both a certain minimum number of registrations as well as registrations in a certain minimum number of countries across several geographic regions. If these criteria are substantially reduced, the IRT believes that it may then be appropriate to count supranational registrations as one registration in each country.

¹⁵ ~~It may be appropriate to adjust this date for subsequent rounds.~~

¹⁶ This date may require adjustment after the first round of gTLD applications.

- ~~▪ 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.¹⁷~~

Consideration of Public Comments Relating to GPML Requirements. The IRT considered those public comments that called for a requirement that all registrations relied upon by the trademark owner be for only those marks in current use. The IRT decided against such a requirement for a number of reasons including the fact that use is not a requirement of registration in a great majority of countries and the practical difficulties of implementing such a requirement. The IRT also considered those comments calling for a Regionally Protected Marks List and, in light of the time constraints within which it has worked, is not making any recommendations at this time about such a list.

OTHER OPERATIONAL CONSIDERATIONS

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.

The IP Clearinghouse ~~will~~ must 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.^{18, 19}

¹⁷~~-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 anticybersquatting 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.~~

¹⁸~~-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.~~

¹⁹A 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.

The continued qualification of all marks on the GPML must be validated annually by the IP Clearinghouse operator and confirmed 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 applicant, attesting to the accuracy and completeness of all information submitted by the trademark owner. Where the submission relies on registrations that are owned in particular jurisdictions by a licensee or related company, the submission must include a declaration by the GPML applicant listing the owners of record for those registrations and their legal relationship to the GPML applicant.

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.~~

~~1. PROTECTION FOR GPMS AT THE TOP LEVEL~~

4. TOP LEVEL RIGHTS PROTECTION MECHANISMS

THE GPML AND IDENTICAL MATCHES

The IRT recommends the following top level protections for GPMs on the GPML.²⁰ The IRT recommends that Section 2.1.1.1 (String Reviews) of the current version of ICANN's Draft Applicant Guidebook for new gTLDs ("the DAG") should be revised/amended so that applied-for gTLD strings will be compared with and reviewed are analyzed for confusing similarity against GPMs on the GPML, in addition to existing TLDs and reserved names, 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. gTLD strings, and requested ccTLD strings.

²⁰ The IRT notes that Section 2.1.1.1 of the current version of the Draft Applicant Guidebook (DAG) applies a confusing similarity standard for evaluating competing strings. That evaluation is, however, limited to visual similarity and relies in large part on algorithmic scoring. The current version of the DAG contains no provision for reconsideration or appeal where an application has failed the Initial Examination on the ground of string confusion. The IRT believes that its recommendations for Initial Evaluation and reconsideration of applied-for gTLD strings in relation to GPMs is a fairer and more balanced test; for example, including an evaluation of aural and commercial impression may permit the registration of a gTLD that would otherwise be denied under a simple or automated visual similarity test.

~~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 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.~~

~~2. 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.~~

~~3. 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.²⁴~~

~~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~~ If an applied-for gTLD constitutes an “identical match” to a GPM on the GPML, the gTLD application will not be approved until the Initial Evaluation reconsideration process described herein is completed and a decision rendered in favor of the gTLD applicant. 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 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~~ consists of the complete and identical ~~name protected by the trademark.~~ textual elements of the GPM. In this regard: (a) spaces contained within ~~a trademark~~ the GPM in question that are replaced by hyphens (and vice versa), (b) spaces, hyphens, punctuation or special characters²²²³ contained within ~~a trademark~~ the GPM in question that are spelt out with appropriate words describing it, and (c) punctuation or special characters contained within ~~a trademark~~ the GPM in question 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).~~ Consistent with its general recommendation regarding use of the algorithm,²⁴ the IRT recommends that the confusing similarity analysis of applied-for gTLD strings against GPMs include the aural and commercial impression (meaning) of the applied-for string in addition to the visual similarity. Accordingly, if, as between the applied-for gTLD and the GPM, sufficient similarity exists in terms of visual, 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, the gTLD application will not be approved until the Initial Evaluation reconsideration process described herein is completed and a decision rendered in favor of the gTLD applicant.

~~Non-GPM Marks.~~ An applicant whose application fails the Initial Evaluation can request reconsideration of the finding and will bear the costs of doing so. The IRT believes that all applicants that fail Initial Evaluation based on a finding of sufficient similarity should have the opportunity to request reconsideration, under the procedure outlined below.

²⁴ ~~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.~~

²² ~~Including but not limited to ~ @ # ! , \$, % ^ © and &.~~

²³ Including but not limited to ~ @ # ! \$ % ^ © and &.

²⁴ See pg. 46, infra.

RECONSIDERATION OF INITIAL EVALUATION

The IRT recommends that requests for reconsideration be heard by specialist dispute resolution providers.²⁵ If an applicant wishes to request reconsideration, it must submit to the provider (a) within five (5) days of the date that ICANN notifies the applicant that the applied-for gTLD has failed the Initial Evaluation, a notice of intent to request reconsideration; and (b) within fifteen (15) days of the date that ICANN notifies the applicant that the applied-for gTLD has failed the Initial Evaluation, documentation containing arguments in support of the request for reconsideration (e.g., a brief). As with applicants that request Extended Evaluation under 2.1.2.1 of the Draft Applicant Guidebook (DAG), the request for reconsideration is an opportunity for the applicant to clarify information in its application; the applicant may not use the request for reconsideration as an opportunity to substitute portions of new information for the information submitted in their original application. All information submitted by the applicant in connection with its request for reconsideration will become part of the application, to which the applicant will be bound, as consistent with the DAG.

In order to prevail on its request for reconsideration, the applicant must demonstrate either that the applied-for TLD is not sufficiently similar (visually, aurally, and in commercial impression) as to be likely, as a matter of probability and not mere possibility, to deceive or cause confusion or that it otherwise has legitimate rights to use the applied-for TLD.²⁶

5. SECOND LEVEL RIGHTS PROTECTION MECHANISMS

GENERAL RECOMMENDATIONS

As a practical matter, trademark owners face a much larger threat at the second level than at the first level, and thus the recommendations regarding the second level recognize and articulate these concerns separately. The IRT recommends a two-pronged approach at the second level, which will provide one set of protections for the GPMs and a second set of protections for all other marks that are the subject of trademark registrations of national effect. The IRT recommends the following second

²⁵ The IRT makes no recommendation as to whether the dispute resolution providers implicated by the request for reconsideration and with respect to the initial block of identical matches to GPMs at the second level should or must be different from existing UDRP providers and other dispute resolution providers called for by other recommendations of the IRT.

²⁶ A gTLD applicant could demonstrate that it has a legitimate right to use the applied-for gTLD by proving that it has common law rights in the word of which the applied-for gTLD consists. Similarly, the IRT envisages a possible situation in which the GPM may be a generic word for goods and/or services other than those the GPM identifies. In such a case, an applicant for a gTLD that is an identical match to a GPM could prevail on its request for reconsideration if it has represented in its application that it will only use the gTLD in the generic sense of the word (e.g., solely in connection with the goods or services for which the word is generic). Such representations by an applicant must, in the view of the IRT, become incorporated into the applicable Registry Agreement for that applicant for that gTLD. If the manner of operation or use of the TLD by the Registry Operator is inconsistent with the representations made and relied upon to prevail in a request for reconsideration, the Registry Operator would be subject to the post-delegation dispute mechanism recommended by the IRT provided the other requirements of that mechanism are met.

level RPMs: for GPMs, initial blocking in the event of an identical match; and for non-GPMs, notification pursuant to the Pre-Launch IP Claims Service.

The IRT recognizes that each new gTLD registry will have unique characteristics such that no universal second-level pre-launch RPM can be imposed. That said, the IRT believes that there are certain minimum protections that should be employed by new gTLD registries to protect the IP rights of trademark owners. Each new gTLD registry should be free to select its own second-level RPM provided that it can demonstrate that its selected second-level RPM meets or exceeds the minimum protections described herein. For example, if a trademark owner applied for a .brand TLD, operated it as a closed TLD and restricted second-level registrations to its employees and subsidiaries, that .brand TLD would not need to provide an IP Claim or Sunrise process.

The IRT recommends that all new gTLD applicants be required, at point of application, to describe the pre-launch and post-launch RPMs they intend to implement. Specifically, new gTLD applicants should explain:

- The type of pre-launch RPM they will offer;
- If the applicant will not offer one of the pre-launch RPMs identified herein, identify what pre-launch RPM it will offer and describe how its selected pre-launch RPM meets or exceeds the requirements herein;
- Policies (if any) covering character string requirements, charter enforcement, eligibility cut-off dates, and usage requirements; and
- The cost to trademark owners of participation in the pre- and post-Launch RPMs.

INITIAL BLOCKING FOR 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 match²⁷ to the GPM. An identical match means the domain name consists of the complete and identical textual elements of the GPM. In this regard: (a) spaces contained within the GPM in question that are replaced by hyphens (and vice versa), (b)

²⁷ The IRT discussed extensively those comments that stated that limiting the scope of second-level protection for GPMs to identical matches (e.g., those that consist solely of the GPM) did not afford as much protection from abusive registrations as would a broader match (e.g., those that consist of typographical errors of the GPM, addition or deletion of “s” or “es,” or contain the GPM plus a word commonly associated with the mark). The IRT did consider the possibility of second-level blocks for the GPMs in conjunction with words commonly associated with the GPM subject to proof that such combinations had been the subject of abusive registrations.

However, the IRT is not recommending at this time a broader “match” or an expanded definition of the GPM. Although the challenges associated with broadening the “match” or expanding the GPM are not insignificant, the IRT believes that the combination of the recommended second-level protection for the GPMs and the recommended URS should provide a commensurate scope of protection. The IRT recommends that an analysis be done after the first round of new gTLDs are launched to determine if this expectation has come to fruition and, if not, to revisit the issue.

spaces, hyphens, punctuation or special characters²⁸ contained within the GPM in question that are spelt out with appropriate words describing it, and (c) punctuation or special characters contained within the GPM in question that are omitted or replaced by spaces or hyphens will be considered identical matches.

There should, however, be a process by which a “blocked” domain name registration applicant should be permitted to ultimately register the initially-blocked name if it can demonstrate to a dispute resolution provider that its registration 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. To overcome the block, the applicant must show that it has a right or legitimate interest in the initially blocked name. The IRT believes that the criteria in Paragraph 4(c) of the UDRP should be used.

THE PRE-LAUNCH IP CLAIMS SERVICE FOR NON-GPMs

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 Pre-Launch IP Claims Service (as described herein). The Pre-Launch IP Claims Service will be provided only to those trademarks that do not qualify as GPMs.²⁹ Under ~~the~~ the Pre-Launch IP Claims Service, each new gTLD ~~Registry registry~~ shall provide notices ~~as follows: (1) to to both: (a)~~ potential registrants of domain names that identically match trademarks contained within the IP Clearinghouse; and ~~(2) to b)~~ 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~~ consists of the complete and identical ~~name protected by~~ textual elements of 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^{30 31} 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

²⁸ Including but not limited to ~ @ # ! \$ % ^ © and &.

²⁹ Because of the “initial block” provided for GPMs, no additional IP Claim Service is necessary for GPMs.

~~³⁰ Including but not limited to ~ @ # ! \$ % ^ © and &.~~

³¹ Including but not limited to ~ @ # ! \$ % ^ © and &.

suspension under the URS, a UDRP proceeding, and/or judicial action by the appropriate trademark owner; and (v) ~~represent and warrant~~represents and warrants that the registrant contact information provided in support of the domain name registration is valid and accurate, and ~~acknowledge~~acknowledges that provision of false information may result in cancellation of the registration.

STANDARD SUNRISE REGISTRATION PROCESS

6. STANDARD SUNRISE REGISTRATION PROCESS

If, in relation to non-GPM ~~Marks~~marks and during the ~~Pre-Launch~~pre-launch phase, a new gTLD ~~Registry~~registry elects to provide a Sunrise Registration Process in lieu of the ~~Pre-Launch~~ 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~~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~~consists of 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 characters³²33 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~~a registry could require ~~that~~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

³² ~~Including but not limited to ~ @ # ! \$ % ^ & © and &~~

³³ Including but not limited to ~ @ # ! \$ % ^ & © and &

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:

- 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].

~~4. 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)

FIELD	NOTES
The Right	
Name of the Right	The exact term in ASCII
Variations on the Right	Terms considered to be identical to the name in the DNS— e.g., with or without descriptive elements, with or without hyphens
IDN Variations	Exact match of the term in other scripts
The Rights Owner	
Owner Name	Company, organization, individual, municipality
Owner Contact Details	Official address: address, phone, fax, email
Rights Owner Representative	The person who can answer questions in connection with the right including contact details
Nature of Applicant	Trademark owner, licensee, assignee
Authorized User of the Right	e.g., a licensee, franchisee, subsidiary
The Type of Right	
Registered Trademark	Maintained in an official trademark register; categories for multi-national, national and state
Trademark Applied For	A application at an official trademark registry may be in process for over a year
Status of the Right	All as relevant
Country	Where the right is claimed
Application Date	The date the right was applied for at the officially recognized government agency dealing with such applications
Registration Date	The date the right was granted by the officially recognized government agency
Expiration Date	When the right expires
Registration Number	The unique identifier granted by the officially recognized government agency
Trademark Class or Other Official Category	e.g., the Nice Classification
Nature of Right	e.g., word mark, device mark, figurative mark
Status of Right within the IP Clearinghouse	

FIELD	NOTES
Pending Validation	Period commencing on the date that application was submitted for entry in IP Clearinghouse, and prior to its First Validation
Date of First Validation	When the validation agents first verified the application
Date of Last Validation	When the validation agents last verified the application
Challenged	If the right is being challenged by a third party
Cancelled	Following a successful challenge
Expired	The date an eligible right expired, e.g., because the annual validation fee was not paid
Rejected	The date an ineligible right was rejected

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)

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

SUNRISE REGISTRATIONS AND THE GPML

The GPML and the recommended Sunrise registration processes are independent protection mechanisms. Nonetheless, for purposes of clarity, the IRT emphasizes that a GPM owner will not gain priority or precedence over a non-GPM owner, in a Sunrise process relating to an application consisting of that GPM, by virtue only of the presence of the GPM on the GPML. In such a case, the non-GPM owner's Sunrise application will be granted if it otherwise fulfills the SERs; and during the pendency of the applicant's Sunrise application, the GPM owner shall not be permitted to register that domain name under a Sunrise process.

In addition, where a GPM owner and a non-GPM owner both apply under a Sunrise process for the identical domain name, the IRT believes that the registry operator could employ an auction or "first-come, first-served" allocation process (subject to fulfillment of the SERs.) Finally, where a GPM owner does not apply under a Sunrise process and a non-GPM owner subsequently applies for a domain name that matches the GPM identically, the outcome of the application shall be determined solely by the initial blocking and appeal process described above in relation to second level protection for GPMs on the GPML.

DRAFT UNIFORM RAPID SUSPENSION SYSTEM (URS)

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 anti-competitive purposes or~~ denial of ~~rights~~ offree speech, but rather for those cases in which there is no genuine ~~question~~ contestable issue 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. The URS is intended to supplement and not replace the UDRP. They are separate proceedings with distinct remedies. The URS is designed to provide a faster means to stop the operation of an abusive site. The UDRP is designed to result in the transfer of the abusive domain name. Brand holders seeking to thwart infringement could utilize either or both proceedings.

Many brand owners face thousands of infringing websites per year. Often these web sites 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 that 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~~ implemented through the new gTLD registry agreements, which would in turn 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~~ contestable issue 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).³⁴

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 be violating a brand owner's rights will be placed in a ~~locked~~frozen state, for the life of the registration, and only will ~~not~~ resolve to ~~an active website~~a specific error webpage.

Where there is any genuine ~~question~~contestable issue as to whether a domain name registration ~~or~~and 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, as a balance of fair interests and 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.

As agreed upon by all the members of the IRT, the task force members considered 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.

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~~The IRT notes 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 efficiently³⁵ and cost-effectively the most clear cut cases of abuse. It does not replace

³⁴ ~~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.~~

³⁵ The IRT considered comments it received on the timing of the URS process which raised competing concerns that the process was either too short or too long. The IRT, upon additional discussion and analysis, believes that the proposed timeline is a fair balance of competing interests, and is on target with its stated goals of being "fast and fair." Further, the timing is consistent with or in the range of current other expedited systems examined in the industry (e.g., the process provided by Nominet).

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~~[the IRT notes](#) 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 [for initiation of the complaint](#):

~~–~~[3.1](#) Pre-Registration – during the pre-registration process, trademark holders would pay a reasonable fee and provide important information about their trademarks.³⁶ 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; ~~and~~ [and](#)

▪ [Allowing companies to take advantage of deposit accounts for automatic deduction \(and reimbursement\) of filing fees.](#)

³⁶ [Information relevant to the URS pre-registration procedures is tied to the IP Clearinghouse. It is assumed that rights owners can pre-register in the IP Clearinghouse. Further, it is our recommendation that all URS decisions be recorded and searchable in an IP Clearinghouse database, as well as with any individual third-party providers as applicable. While the IRT supports the requirement that URS decisions be stored in a centralized location, it does not believe it is necessary to require that the location be the clearinghouse as long as there is a viable, open option to provide access to and search of the decisions. If ICANN should decide not to adopt the IP Clearinghouse, the URS will need to create a separate procedure for the collection and maintenance of such data.](#)

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].~~³⁷ Appendix B. 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.³⁸ Filing Recommended filing fees for registered users 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 Appendix C.³⁹ Complaint fees are non-refundable. Additionally, all complainants must include a statement that the complaint is being filed in good faith and

³⁷ ~~The form will be a checkbox form with specific places for required information and arguments to be provided by Complainant.~~

³⁸ ~~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.~~

³⁹ The IRT considered a number of comments regarding the adequacy of the fees associated with the URS. The IRT notes that the fees recommended in this paper are recommendations and must be revised accordingly based on feedback from potential URS providers.

It is important to note, however, that the IRT came upon the numbers suggested based on fees charged by other providers who offer similar services, discussions with several current UDRP examiners, and the need to keep the process cost-effective.

If the URS is not significantly cheaper than the UDRP it does not remain a viable alternative to resolve some of the problems facing brand owners now. The idea, however, is to make the process as cheap as possible while still providing a quality provider. Several comments made the claim that the fee structure would result in an average of \$1-2 per domain name decision and thus would necessarily mean examiners with less than optimal experience being involved. The IRT notes that there will be times where the number of domain names involved in an individual complaint will be towards the higher end of the fee. However it is also important to note that in the UDRP process, which allows multiple domain name complaints, the average number of domain names included in a single complaint has been between 1 and 2 (see http://www.wipo.int/amc/en/domains/statistics/domains_avg.jsp) and not 100. As a result, the average fee will be more in the lines of \$100-200 per domain name and the IRT believes the fees recommended by the URS should remain the ballpark figure provided to potential providers in any RFP.

that the complainant agrees to indemnify all parties that act based on the representations in the complaint.⁴⁰

Complaints are submitted to a third-party provider – to be selected by ICANN⁴⁴ – for initial examination.⁴² 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~~provide the ~~legal claim – a prima facie case – as well as whether~~ required information in the form complaint, including an image of 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 lockfreeze 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~~7 below. The effect of a termination will be to unlockunfreeze 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

⁴⁰ ~~We~~The IRT considered the concept of requiring a complainant to post a bond as a surety for the indemnification obligation, but thought that such a requirement would overly complicate the process and is not common in other similar systems. The IRT also felt that the indemnification obligation from the brand holder was sufficient without additional supporting information.

⁴¹ ~~The IRT recommends that there be one third party provider for the URS rather than multiple providers.~~

⁴² The IRT received a number of comments raising the concern that the initial draft of the URS contained too many layers or unnecessary complications. While the IRT believes that some of the comments received were as a possible misunderstanding of the process as drafted, and that clarification of the language on our part addressed some of the concerns raised, notwithstanding this draft contains further streamlining of the process.

In particular, the initial examination is no longer a review of whether or not a 'prima facie' case has been met, but is now limited to a compliance check to see that the complaint meets the initial requirements to process further. In addition, there will now be one substantive examination of the complaint after either an answer is filed, or after a default “non-answer” period. A written opinion will be issued in all cases after examination.

In addition, if a respondent files a 'default answer' after not answering, under the procedure available, at that time, there will be a substantive examination, with balances of protection added for such late answers.

The IRT believes that this has indeed streamlined the process yet further, in order to achieve a balance of interests in the goals of being “cost-effective, fast and fair,” and addresses the concerns raised by WIPO and others.

answer a complaint prior to the invocation of any adverse consequences to their domain names and websites. While abusive [names-use](#) should be addressed as quickly and inexpensively as practicable, [we are the IRT is](#) 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 to counter](#) such potential abuse.⁴³

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 [twenty-four \(24\)](#) 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 within twenty-four \(24\)](#) hours [to lockfreeze](#) the domain name to prevent transfers or other changes to the registration. In the registry protocols (EPP), such a [lockfreeze](#) 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.

[The only changes that will be allowed to the Whois data from the moment of freeze through to determination and/or appeal will be to correct information that is considered fraudulent \(i.e., use of another's identity as a result of identity theft\) or to change from a privacy/proxy service contact to the contact details of the actual domain name registrant. A request for such a change to a Whois record must be made through the URS provider who will then determine if the situation requires a correction of the Whois record and cannot be made independently by the domain name registrant or Complainant.](#)

Within [twenty-four \(24\)](#) hours of the domain name [lockfreeze](#), the third-party provider should then provide notice of the complaint to Registrant. Such notice should inform the Registrant that the name is [lockedfrozen](#) 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.⁴⁴ Such letter should be sent within five [\(5\)](#) days of the filing of the complaint.⁴⁵

⁴³ [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.](#)

⁴⁴ [The IRT received some comments advising us to drop the requirement for a certified letter. The IRT found the Nominet Dispute Resolution Service for .uk particularly instructive in that Nominet also require notice in the form of a certified letter. The IRT believes that the certified letter is an important safeguard and that it would not add to the](#)

Finally, after seven (7) days, a second e-mail should be provided to the Registrant.⁴⁶

5. ANSWER

A Registrant has fourteen (14) calendar days from the date of the initial email notification to submit an ~~answer.~~Answer.⁴⁷ 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~~and 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]~~Appendix D. In addition, the Registrant may allege the Complainant filed an Abusive Complaint on the form and request the Examiner investigate these allegations.⁴⁸

Answers submitted by a Registrant reflecting ~~[10–25]~~⁴⁹twenty-six (26) domain names or more ~~would~~⁵⁰ require submission by the Registrant of an Answer Fee as outlined in

timing of the adjudication not add a significant amount to the cost of the system. The IRT considered requiring the complainant to send the certified letter – similar to the UDRP process – but decided 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.

~~⁴⁵ 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.~~

⁴⁶ ~~We~~The IRT also considered ~~a~~and rejected potential ~~requirement~~requirements 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~~The IRT decided that such requirements would add significant complexity and cost to the system. ~~If~~due to time zones and national and local laws regarding faxing and calling, The IRT have been cognizant that if this system becomes too expensive for complaining parties, it would cease to be a viable alternative to the UDRP.

⁴⁷ The IRT considered numerous public comments on what would constitute sufficient time for registrants to answer, and determined that the IRT should keep the recommended period the same as the IRT had in its Initial Report. Due to concerns regarding implementation, complexity, and fairness, the IRT rejected the idea that the notice period should be longer for domain names with privacy or proxy services, as well as the idea that the IRT should base the notice period on how long the domain names have been registered. The IRT found the Nominet Dispute Resolution Service for the UK particularly instructive in that Nominet provides for a slightly longer period – fifteen (15) business days – than the IRT is recommending.

~~⁴⁸ 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.~~

⁴⁸ The IRT has considered how to deal with abusive complainants. The IRT feel that a system that requires a finding of abuse by the Examiner will be the best option. This is not merely a system where the complainant loses a complaint, but instead a system where the complainant abuses the system by filing complaints based on a false claim of rights or by asserting fraudulent claims against sites that clearly involve legitimate use. The concern about abusive registrants may be addressed through the use of increased fees for the filing of an answer.

~~⁴⁹ 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.~~

Appendix C.⁵¹ The Answer Fee ~~would be~~ refundable to the Registrant if the Registrant prevails in the URS.⁵² As with the Complainant, Registrants will similarly be eligible to

⁵⁰ The IRT 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 the IRT 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 the IRT came to was a hybrid of the two – imposing a fee on registrants who have registered a number of domain names within the new gTLDs that reflect abusive use of a company's trademarks.

~~⁵⁴ 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.⁵¹ A number of comments were submitted requesting a loser-pays system. The IRT considered a variety of situations and did not feel that this type of system can be implemented throughout the URS.~~

~~First, it is important to ensure that individual domain name registrants do not feel they cannot afford to file an answer. Second, there was concern that with the number of defaults that will likely occur, using the UDRP as a model, and the prevalence of false Whois information, recovery of such fees would be next to impossible. In addition, the IRT discussed the option of making the URS a "free" service, sponsored by ICANN, or splitting the costs of the URS on a yearly basis between the registries based on the percentage of disputes that involve that gTLD. The IRT, upon additional discussion and analysis, believes that the proposed timeline is a fair balance of competing interests, and is on target with its stated goals of being "fast and fair."~~

~~As a result, the IRT has settled for a partial "loser-pays" system whereby disputes that involve in excess of twenty-five (25) domain names will be subject to Answer Fees and where filing/Answer Fees are refundable to the prevailing party. Where a domain name complaint lists 100 domain names and 98 are found abusive, the complainant will be refunded 98% of fees and the respondent refunded 2% of fees.~~

~~⁵² 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~~

[maintain a deposit account for automatic deduction \(and reimbursement\) of Answer Fees.](#)

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.

6. DEFAULT PROCEDURES

If a Registrant fails to submit an Answer, or submits a defective Answer, within fourteen (14) days of initial email notice, the Complainant and Registrant are notified by email

~~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.~~

and, in the case of Registrant, letter (sent by regular mail) that the matter has entered into Default.⁵³ All cases of default proceed to Examination.

~~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.⁵⁴ 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](http://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 (14)-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- (30) 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- (30) days of the Default, ~~a small~~an additional fee of \$50, on top of any required Answer Fees, as indicated in attached Appendix C, will be imposed.⁵⁵ The \$50 Default Answer filing fee is non-refundable.

⁵³ 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.

⁵⁴ ~~ServerHold in EPP protocol.~~

⁵⁵ ~~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.~~

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 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~~ Once an answer is filed or if there is a default for failure to answer within the fourteen (14) days period, ~~Complainant is immediately notified that an answer has been received and that~~ a Final Evaluation of the complaint and answer if any 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.⁵⁶ This third-party provider⁵⁷ would operate the URS services on a cost-recovery basis, ~~and would not be an entity that currently provides UDRP services.~~⁵⁸

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.

⁵⁶ Several commentators suggested that there should be more than one provider for the IP Clearinghouse and URS resolution services. While the IRT appreciates the concerns raised, the IRT believes that there are benefits to having a single provider. These include having a single database of decisions that is searchable. A single provider would be more likely to provide consistency in decisions. If ICANN elects to have multiple URS providers to address competition concerns, the IRT recommends that ICANN ensure that URS decisions be searchable across the multiple providers through a single database, and that the various providers be consistent in the interpretation of the standards. It would also be important to ensure that multiple providers share information such as the identity of abusers of the URS for the purposes of assessing penalties or additional fees. To avoid the perception of conflict of interest, the URS resolution provider should not be affiliated with a registry or registrar.

⁵⁷ The IRT acknowledges complete confidence in the current providers of the UDRP process. Some suggest, however, that there is the risk of an appearance of conflict of interest if the URS provider is also a UDRP provider. The IRT believes this risk is unfounded due to the use of independent examiners and the institutional integrity of the providers. Moreover, the revised version of the URS procedure limits review by URS staff to formal compliance. All substantive review is made by an independent examiner, reducing the appearance of a conflict. Nevertheless, this is an issue that merits further consideration. Given that there are multiple UDRP providers, an option to consider in the future if there are multiple URS providers is a requirement that any complaint filed with a specific URS provider must be filed with a different UDRP provider if the URS provider is also a UDRP provider.

~~⁵⁸ 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.~~

[A list of such jurisdictions shall be compiled and made available to parties and Examiners].⁵⁹

- Whether the domain name registrant lacks any right or legitimate interest in the domain name.
- Whether the domain name has been registered ~~or~~ and used in bad faith.

A list of non-exclusive circumstances that demonstrate bad faith registration and use mirror the list stated in the UDRP, namely:

- circumstances indicating that you have registered or you have acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or
- you have registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that you have engaged in a pattern of such conduct; or
- you have registered the domain name primarily for the purpose of disrupting the business of a competitor; or
- by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.

If the Examiner finds that all of these elements are satisfied by clear and convincing evidence and that there is no genuine 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


⁵⁹ The IRT recognizes that entry standard for utilizing the URS is more limiting than the standard provided in the UDRP, which permits claims to proceed based on any registration of trademark rights or on common law rights. Parties that do not meet the higher entry standard proposed for utilization of the URS may, of course, still proceed with claims under the UDRP or in courts, as appropriate. Exclusion from the URS is not intended in any way to prejudice a party from proceeding under other available avenues. The purpose of this more restrictive standard is to avoid time consuming analysis over the question of rights, which would undermine the intended purpose and ability of the URS process to provide a fast inexpensive remedy for cases of clear abuse. The experience of UDRP Panelists is that the analysis of common law rights claims can be difficult and time consuming. In addition, reliance on registrations issued immediately upon application without substantive examination on absolute or relative grounds may result in gaming of the system, as seemed to occur during the introduction of .eu domain names, for example. Whether there are other rights that can be established and registered in the IP Clearinghouse that would be consistent with the goal of keeping the URS as streamlined and fast as possible also merits further consideration.

without prejudice to the ability of the Complainant to proceed with an action in court or under the UDRP.

We note [The IRT notes](#) 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 [genuine](#) contestable [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.⁶⁰

[For example, if the trademark in question is BRANDXYZ for use in connection with computers and the domain name in question is brandxyzz.\[gTLD\] 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.](#)

A decision in the form attached as [Exhibit C Appendix E](#) 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:

⁶⁰ ~~For example, if the trademark in question is BRANDXYZ for use in connection with computers and the domain name in question is brandxyzz.[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.~~

~~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).⁶⁴~~

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.~~

Upon entry of a decision in favor of the Complainant, the domain name at issue remains frozen at the registry (meaning it cannot be sold, transferred, or assigned) for the duration of the registration period.⁶² In addition, the domain name will no longer point to the registrar's website, and will be redirected at the registry to a site hosted by the third-party provider. The third-party provider will post a standard page on 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](http://www.[URLofthirdpartyreviewer].com)."

Similarly, the registry will update the Whois record to 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 provider 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.

⁶⁴ ~~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.~~

⁶² The IRT received comments relating to the transfer of domains as a possible remedy of the URS. After much consideration the IRT decided against including transfer as a remedy since transfer as a remedy is already available in the UDRP and under applicable national law, such as the Anti-Cybersquatting Consumer Protection Act ("ACPA") in the United States. The URS is foreseen as just one of the tools available to brand owners for dealing with brand abuse in the domain name system. By keeping the remedy of the URS to 1) locking of the domain registration and 2) taking down the associated harmful use, the URS can remain quick while still balancing the right of the registrant by not transferring the property during an expedited process. In leaving transfer as a remedy to the UDRP and ACPA, the URS fulfills its purpose of becoming an addition to the existing available mechanisms without displacing the UDRP or ACPA. Finally, the IRT also considered extending the registration period of a domain name locked under the URS process (i.e., adding a year to the registration term), but also decided against this mechanism because of the likely increased technical expenses and burdens on the URS process provider and registries.

The IRT also recommends that all Examiner decisions be made publicly available and searchable through an open-access, centralized database, as well as through any of the third-party providers.”

8. APPEAL

The losing party may appeal an Examination Decision, relating to any or all of the domain names in the Complaint, 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,⁶³ 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, as indicated in Appendix C, will be borne by the appellant, but are refundable upon a finding in favor of the appellant.

A losing registrant may vacate the takedown of its site by submitting, within thirty (30) days of the Examiner’s decision, an appropriate fee, as indicated in Appendix C, to the URS provider with proof that it has initiated an appeal of the Examination Decision with a court of competent jurisdiction – a court located in the country of the registrant or the registrar,⁶⁴ with authority to decide a case of cybersquatting or trademark infringement. This fee is refundable if the registrant prevails in court.

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

⁶³ The appeal to an ombudsman is not to be a reconsideration of the Examiner’s decision but rather to determine whether the Examiner’s decision represents an abuse of discretion and/or process.

⁶⁴ The IRT is extremely concerned with recent trends toward filing appeals in courts where cases are maintained for long periods of time for the sole purpose of gaming the UDRP appeals process. Discussions were held regarding how to prevent such actions – such as making the court of competent jurisdiction the court of the registry instead of the registrar – but decided to maintain the UDRP standard. The purpose for the fee to have a web site resolve to the original site once an appeal is filed is an attempt to prevent a large part of the gaming that occurs in purposefully filing appeals in such courts. The fee is refundable if the court resolves the dispute in favor of the domain name registrant.

barred from utilizing the URS for a one-year following the date of the last abusive
| complaint.

EXHIBIT A [NOTE: Refer to **Appendix F** for an illustrative flowchart of the URS process].

APPENDIX B
FORM COMPLAINT

(~~to~~ Note: This is an example of the fields that should be added)

**EXHIBIT B
FORM ANSWER**

(contained on the form complaint with check boxes and the ability to be added)

EXHIBIT C fill in specific information where noted.
FORM URS DECISION

~~(to be added)~~

EXHIBIT D
REQUEST FOR APPEAL FORM

~~(to be added)~~

EXHIBIT E

FORM COMPLAINT

1. "Perjury" penalty/indemnification statement (to be determined)
2. Identification of owner or authorized agent
3. Accurate/true and up-to-date
4. Good faith belief that the domain name infringes on one of the tm owner's rights
5. Contact info (already in form for pre-registered)
6. Trademark reg./examination country (already in form for pre-registered)
7. Request to freeze upon receipt of notice
8. Request to take down upon successful completion (either default or answer)
9. Identify registrant (PDF of Whois attached)
10. Domain Names

Trademark	Domain Names
ABC	Abc.xyz Abc.xyz
XYZ	Xyz.abc Xyz.abc

11. No legitimate right or interest (all three)
 - Not known by name
 - Not bona fide use
 - Not related or authorized
12. Bad Faith factors (one or more of these)
 - Sold for profit
 - Pattern
 - Disrupting a competitor
 - Sold for commercial gain
 - Comment Section (mandatory)
13. PDF copy of site is attached
14. Electronic signature

APPENDIX C
TIERED FEE SCHEDULE

~~(to be added)~~

RECOMMENDED FEE STRUCTURE

Examination	Complainant	Respondent
0-25	\$200	\$0
26-100	\$250	\$250
101-200	\$300	\$300
200+	TBD	TBD

Complainant pays at filing.

For 26 or more names, respondent pays Answer fee.

Loser pays; winner gets refund (prorated if some domains are excluded).

Default Post-30 days	Respondent
0-25	\$50
26-100	\$300
101-200	\$350
200+	TBD + \$50

Respondent pays normal Answer fee plus \$50.

For 26 or more names, loser pays. Winner gets refund (prorated if some domains are excluded). If

Respondent wins, does not get \$50 late filing fee back.

Appeal	Appellant
Ombudsman	\$100
Reinstate site pending filed appeal in court	\$100

Appeal filing fees refundable if successful.

APPENDIX D
FORM ANSWER

Note: This is an example of the fields that should be contained on the form answer with check boxes and the ability to fill in specific information where noted.

FORM ANSWER

<ol style="list-style-type: none">1. Confirmation of holder ID2. Confirm accurate and up-to-date Whois3. I have a legitimate right/interest in the domain name(s). Known by the name Related to or authorized Non-commercial/fair use Comments (mandatory) _____ _____ Designation of rights to certain domain names only: (List of domain names contesting)4. Not registered or using bad faith Response Comments (mandatory) _____ _____5. Complaint re: abusive use of process Comments (mandatory) _____ _____6. Statement that Answer is true and correct7. Electronic signature

APPENDIX E FORM URS DECISION

Note: This is an example of the fields that should be contained on the form decision with check boxes and the ability to fill in specific information where noted.

FORM DECISION

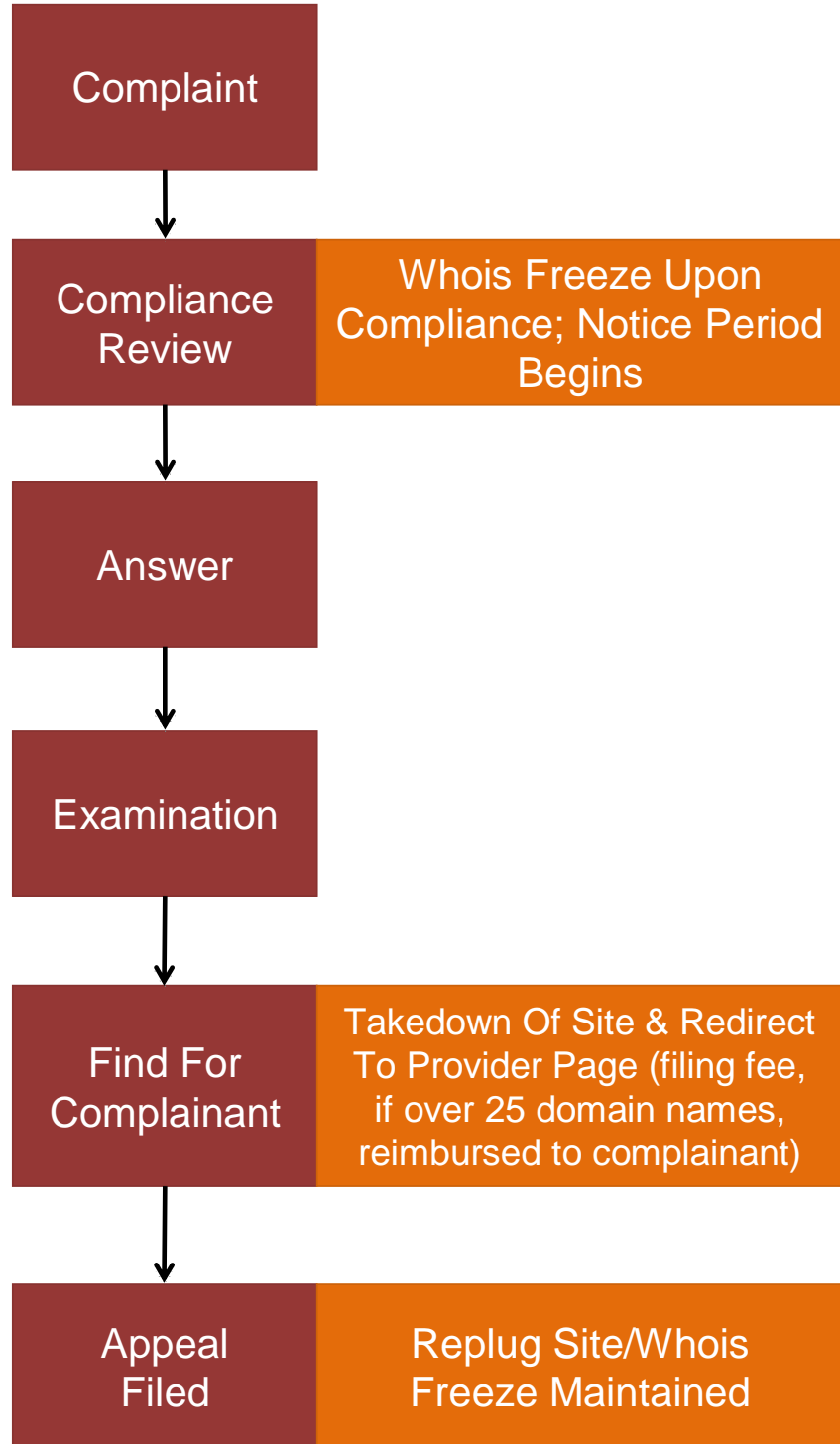
1. The Parties
2. Domain Name(s)
 - Automated list inserted
3. Mark/Registration at Issue
 - Automated list inserted
4. Compliance with Notice Requirements
 - Date of first email:
 - Date of certified letter:
5. Domain Name(s) is:
 - Identical to mark(s)
 - Confusingly similar to mark(s)
 - Comments _____
6. Legitimate Rights to the Domain Name
 - Not known by name
 - Not bona fide use
 - Not related or authorized
 - Comments _____
7. Bad Faith Use and Registration
 - Sold for profit
 - Pattern
 - Disrupting a competitor
 - Sold for commercial gain
 - Comments _____
8. Decision (mandatory)

9. Abusive Filing of Complaint
 - Alleged in answer
 - Findings (mandatory)
 - _____
 - Is an abusive use of the URS
10. Any Comments (optional) _____

11. Signed
12. Date

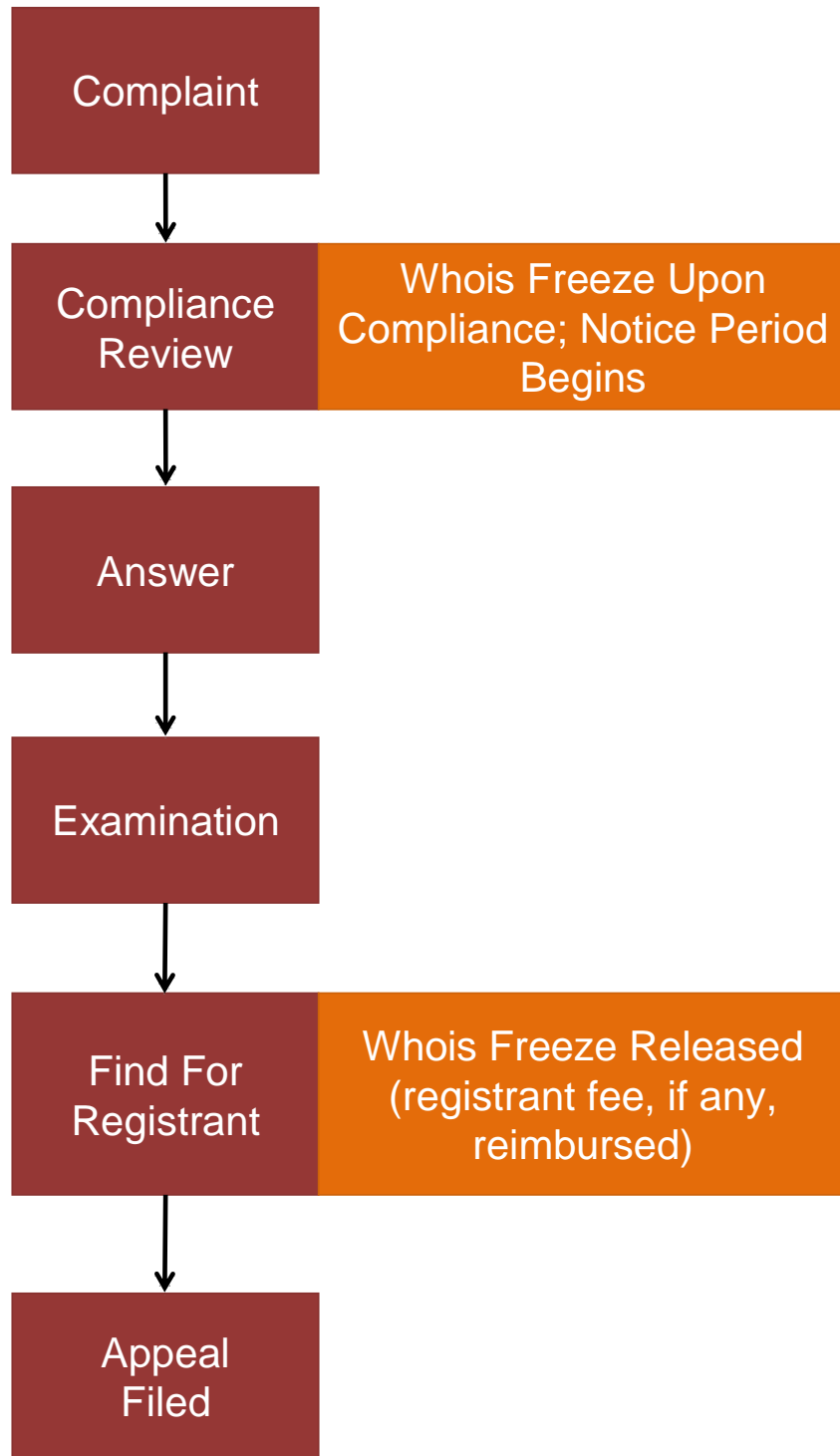
APPENDIX F

**URS
PROCESS –
FINDING
FOR
RIGHTS
OWNER**



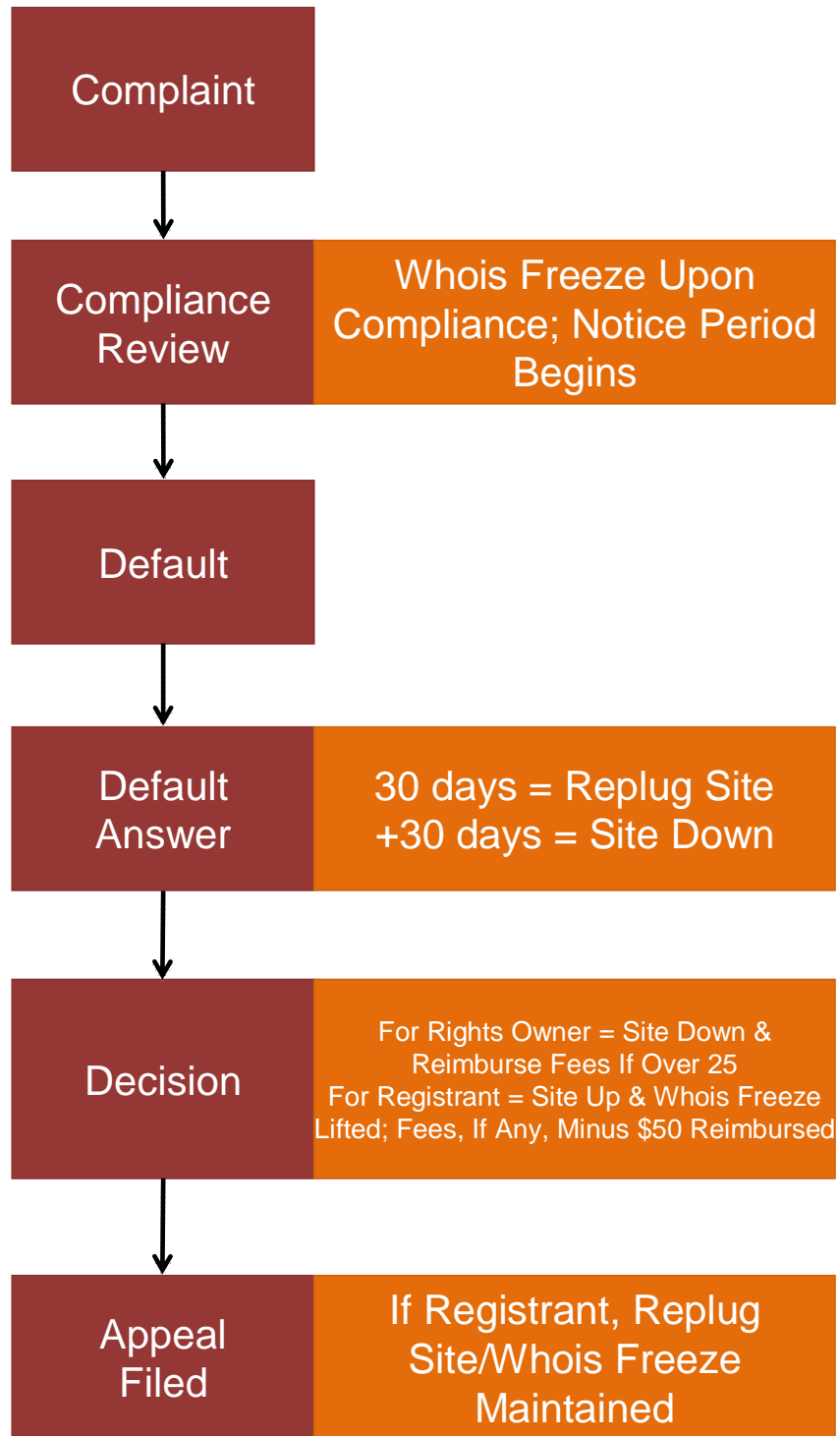
APPENDIX F
(cont'd)

**URS
PROCESS –
FINDING
FOR
DOMAIN
NAME
OWNER**



APPENDIX F
(cont'd)

**URS
PROCESS –
DEFAULT**



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 and further consultation with WIPO via Eun-Joo Min at its second face-to-face meeting in San Francisco, CA 11-13 May, 2009. As with all the proposals considered by the IRT, the task force members considered the proposal in light of the 10 guiding ~~principals~~principles that the IRT used as a base line assessment for all possible solutions considered during the IRT process.⁶⁵

~~In addition to consideration~~ After further consultation with WIPO and review of the ~~10 guiding principles, the task force reviewed the WIPO proposal. However, after consultation and exploration~~public comments, the IRT ~~determined~~remains convinced that ~~more comprehensive changes to the a~~ Post-Delegation Dispute Mechanism is a necessary rights protection mechanism. However, the IRT continues to believe that revisions to the mechanism proposed by WIPO ~~were~~are 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.⁶⁶ Specifically, the Task Force recommends that ICANN amend the draft Registry Agreement to include provisions incorporating the language found in Section 2.1 below into the Registry Agreement. In order to provide guidance to Registry Operators, ICANN, intellectual property owners and dispute resolution providers, the IRT further recommends that ICANN create a non-exhaustive list of activities that may or may not constitute “bad faith.”⁶⁷

⁶⁵ ~~See, Appendix A attached hereto and hereby incorporated by reference.~~

⁶⁶ ~~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.~~

⁶⁷ The IRT envisions a non-exclusive list similar in nature to the non-exclusive list of “bad faith” factors set out in the UDRP. Such factors should include, but not be limited to, circumstances designed to capture instances of willful blindness/reckless disregard.

~~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 an interwoven tapestry of recommended protections.~~In its deliberations, the IRT was fully cognizant that the easier issue addressed in this recommendation is abuse of rights on the top level and that the concerns related to preventing wide scale abuses on the second level are more difficult and controversial. With this in mind, the IRT believes that the concerns expressed by WIPO in its proposal with regard to the possibility of widespread and systemic abuses by Registry Operators could be harmful to consumers and brand owners with the addition of new TLDs without some type of mechanism to thwart possible systemic abuses by Registry Operators. Concerns over such systemic abuses have largely arisen due to the gaming currently taking place in some sectors of the marketplace and ICANN's perceived unwillingness or inability to take appropriate remedial actions.⁶⁸ For this reason, the IRT has taken great care to recommend a mechanism that is balanced to address the concerns of consumers and brand owners while protecting Registry Operators from potential abuse by overzealous trademark owners. This has led the IRT to seek the most workable compromise to achieve this balance.

SUMMARY OF IRT SUGGESTED REVISIONS TO WIPO-PROPOSED

MECHANISMAdditionally, the IRT wants to explicitly state that we do not intend for this mechanism to create any third-party beneficiary rights in trademark owners under the Registry Agreements. It is our intent that this procedure will be incorporated into the Registry Agreement similar to the manner in which the UDRP is set forth in the RAA. To be clear, the IRT only intends for trademark owners to have the limited rights set forth in the procedure and the Registry Operators to have the obligation to follow the decisions issued by the dispute resolution provider.

Finally, the IRT wishes to stress that the Post-Delegation Dispute Mechanism is designed to combat (i) Registry Operators that operate a TLD in a manner that is inconsistent with the representations and warranties contained within its Registry Agreement, or (ii) Registry Operators that have a bad faith intent to profit from the systemic registration of infringing domain names (or systemic cybersquatting) in the Registry Operator's TLD. Whilst it is not possible to define a specific threshold as to what amounts to systemic cybersquatting,⁶⁹ given that the Panel needs to take into account all of the relevant facts and surrounding circumstances, the IRT wishes to specifically state that this mechanism is not intended to be used against Registry Operators that may have infringing domain names within their TLDs where such Registry Operators do not have a bad faith intent to profit from those infringing names.

⁶⁸ 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.

⁶⁹ The term "cybersquatting" is used merely as shorthand and should be interpreted to include all forms of infringing domain name registrations (e.g., typosquatting).

1. SUMMARY OF IRT SUGGESTED RECOMMENDATIONS

After reviewing the WIPO proposal, reviewing the public comments to the IRT's 24 April, 2009 draft report and having a very informative discussion further consultation with WIPO representatives, a consensus of the IRT believes that a Post-Delegation Dispute Mechanism may be is 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 and will serve to better protect against egregious practices that harm consumers and trademark owners. Upon further reflection and analysis, however, the IRT agrees with WIPO's position and the position of several parties that submitted comments, that trademark owners should have a more active and clearly defined role in any post-delegation dispute mechanism by having the ability to trigger a proceeding against the Registry Operator under the terms set out below. Similar to our earlier recommendation,~~ the IRT recommends that the mechanism ~~be~~ require a complainant to pre-pay a fee to ICANN to initiate a complaint and, under our revised ~~so that a third party would submit a claim proposal, pre-pay a further filing fee to the dispute resolution provider ("DRP") should the trademark owner choose to pursue its complaint independent of ICANN.~~ The IRT recommends that a trademark owner initiate a post-delegation dispute by submitting a complaint to ICANN via an online form and pay a refundable deposit of _____⁷⁰ by credit card⁷¹ at the time of the form is filed. This form would allow a third party trademark owner to advise ICANN of an alleged breach of the registry agreement related to the rights of the third party Registry Agreement related to the prohibited practices set forth in the Registry Agreement (this breach would be of the nature set out below in Section 2.1). ICANN ~~would~~ should have a system whereby it formally acknowledges the complaint ~~notification~~ and then have a ~~fixed~~ period of time no longer than thirty (30) calendar days to investigate and report its conclusion back to the complaining ~~third~~ party. In the event that ICANN's investigation should discover that the ~~registry~~ Registry Operator is in fact in material 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~~ should not discover that the Registry Operator is directly in material breach of its Registry Agreement contractual obligations, then ICANN, the complainant 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.

⁷⁰ ~~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.~~

⁷¹ 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.

If the Parties are unable to resolve the dispute ~~to the satisfaction of ICANN, ICANN shall be required to~~, upon request from the complainant, ICANN must institute the Post-Delegation Dispute Mechanism set forth below through an accredited DRP. ~~The third party complainer would not~~ ICANN's initial finding of no material breach is not binding or controlling on the DRP Panel but may be taken into consideration along with other evidence and information submitted by the parties. The complainant shall participate in the DRP. To initiate a 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~~, the complainant must pre-pay an additional fee ~~rights on the third party. ICANN would pay for~~ fee to the procedure ~~unless the DRP found that the costs and fees associated with the procedure should be paid by the offending registry.~~. The IRT further recommends that this fee be set to cover the provider's cost as well as the Registry Operator's cost should Registry Operator prevail. Furthermore, the IRT believes that the complainant should be required to prepay an additional amount that shall be paid to the Registry Operator if the complaint is found by the Panel to be "without merit" ("Penalty Fee").⁷² Alternatively, if the complaint is *not* found to be "without merit," this additional amount would be refunded to the complainant. While the IRT is not in a position to recommend the amount of any fee charged, we believe the additional portion of the fee should be set sufficiently high to discourage abuse or gaming of the system.⁷³ The IRT also recommends that all DRPs be required to use three (3) member panels due to the clear significance of the matter to the Registry Operator's business. All ~~decision~~decisions by the DRP Panel should be fully appealable by either party in a court of competent jurisdiction located in either the complainant's or the Registry Operator's jurisdiction.

If ICANN should determine that the ~~third party~~initial complaint was ~~frivolous,~~"without merit" after conducting its investigation, then the complainant would lose its initial deposit. ~~Additionally, any~~ A complainant found to have filed ~~frivolous complaints~~⁷⁴ a complaint deemed "without merit" by ICANN at the conclusion of its investigation 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~~. After a complainant ~~found to have filed a frivolous complainant by either ICANN or a Panel any time after serving~~has served a one (1) year bar ~~would be,~~ any determination that a complainant has again filed a complaint that is "without merit" will result in the complainant being permanently barred from using the mechanism. ~~Similarly, a~~

⁷² A complaint would be "without merit" only if the complaint is found to be completely baseless and without any tangible support so as to rise to the level of an abuse of the procedure or that it was filed merely to harass the Registry Operator against whom the complaint was filed. The finding of whether a complaint was "without merit" 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.

⁷³ See Appendix G.

⁷⁴ 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.

In the event a Panel determines that a complainant has filed a complaint “without merit,” it shall set this finding forth in its decision. A complainant found to have filed two (2) frivolous complaints “without merit” by a DRP Panel after a full-blown proceeding on the complaint would be completely permanently barred from filing any further complaints under the mechanism regardless of whether, if the complainant had ever had in question has already served a one (1) year bar imposed previously, then only one (1) further finding from a DRP Panel of “without merit” is required for the complainant to be permanently barred from using the mechanism.

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

1.2.1 Applicable Disputes

1.2.1.1 A Registry Operator, as defined in the applicable Registry Agreement with ICANN, shall be required to submit to a mandatory administrative 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~~ The Registry Operator's manner of operation or use of a TLD is inconsistent with the representations made in the TLD application as approved by ICANN and incorporated into the applicable Registry Agreement and such operation or use of the TLD is likely to cause confusion with the complainant's mark; or

2.1.1.2 The Registry Operator is in breach of the specific rights protection mechanisms enumerated in such Registry Operator's Agreement and such breach is likely to cause confusion with complainant's mark; or

1.2.1.1.3 The Registry Operator manner of operation or use of the TLD exhibits a bad faith intent to profit from the systemic registration of domain name registrations therein, which are identical or confusingly similar to the complainant's mark, meeting any of the following conditions: (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~~ ⁷⁵

⁷⁵ 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

~~2.1.1.1 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~~

~~2.1.1.2 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.⁷⁶~~

[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.](#)

⁷⁶ ~~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~~

1.2.1.2 ~~For~~ purpose of determining whether the TLD or domain name registrations therein meet conditions ~~(a), (b), or (c)~~ described in Section 2.1A, 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

2.2 Decisions

In its written decision, the Panel, in addition to providing the reasons for its decision, shall set forth one of the following findings:

- Panel finds for the complainant and provides a remedy (see Section 2.3, below)
- Panel finds for the registry operator and provides a remedy (see Section 2.3, below)
- Panel finds for the registry operator and that the complaint was “without merit”
- Panel finds for the complainant and that the defense was “without merit”

2.3 Remedies

The Panel ~~may~~shall, 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~~committed one or more of the acts set forth in Section 2.1.1.1-2.1.1.3 above. In the event of a finding that the Registry Operator ~~is not in compliance with its Registry Agreement~~has violated this policy with respect to the subject matter giving rise to the dispute, ~~ICANN shall invoke any~~the Panel shall recommend to ICANN the imposition of appropriate enforcement mechanisms available to ~~ICANN~~ICANN under the applicable Registry Agreement. Upon a finding that a complaint is “without merit,” the Panel shall require the complainant’s pre-paid filing fees, including (i) the fee covering the Registry Operator’s costs of the dispute to the Registry Operator (but the Panel shall not have authority to order an award of monetary damages or attorney costs beyond those incorporated into the filing fee pre-paid by the complainant), (ii) the dispute provider’s fee to the Dispute Provider, and (iii) the Penalty Fee to the Registry Operator. Similarly, upon a finding that the Registry Operator’s defense is “without merit,” the Panel shall require the Registry Operator to pay a fee equal to the pre-paid filing fee paid by the complainant. This fee shall be calculated to cover

~~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.~~

the cost of the action and an additional amount to cover an award to the complainant.⁷⁷

All DRP decisions should be published on the DRP's website and the ICANN website and should be fully searchable.

2.2.4 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:

1.2.4.1 Sanctions & Suspension – Providing for escalated compliance enforcement tools such as monetary sanctions and the suspension of registering accepting new domain names name registrations in the TLD until such time as the violation(s) of Section 2.1.1.1-2.1.1.2 is cured.

2.2.4.2 Group Liability – Preventing "serial misconduct" by registries when another affiliated (by common control) registry's or registrar's agreement with ICANN is terminated, provided that such affiliated registry or registrar has also been involved in the activities violating Section 2.1.1.1-2.1.1.3 set forth above.

3.2.4.3 Termination of Contract – Providing for the termination of a registry agreement should a Registry Operator be found by three (3) separate Panels, arising out of 3 separate and distinct incidents, to have violated its contract under Section 2.1 within any eighteen (18)-month period.

3.2.5 Costs

ICANN As stated above, the Complainant 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 Complainant 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 a fee equal to the filing fee initially paid by the complainant to cover the costs of the procedure and, if applicable, an additional amount for presenting a defense "without merit" (but not the Panel shall not have authority to order an award of monetary damages or attorney costs beyond those incorporated into the filing fee pre-paid by the complainant) if it issues a finding against the Registry Operator.

The Registry Operator shall pay any fees within thirty (30) days of receiving the DRP final written decision. Should a Registry Operator fail to pay within the allotted time, ICANN shall issue a notice of material breach to the Registry Operator. Failure to cure such breach within the applicable cure period set forth in the Registry

⁷⁷ See table in Appendix G.

Agreement may result in the imposition of any of the enforcement tools available to ICANN under the Registry Agreement, including, but not limited to, suspension of the Registry Agreement until such time as the fees have been duly paid in full and notice of payment has been received by ICANN from the DRP.

4.2.6 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~~ Post-Delegation Dispute proceeding is commenced or *after* such proceeding is concluded. In those cases where a Registry Operator advises the DRP that it instituted an action prior to the filing date of the complaint in the Post-Delegation Dispute proceeding, the DRP shall suspend or terminate the Post-Delegation Dispute proceeding upon verification that the filing date of the action under the Registry Agreement or the court action in a court of competent jurisdiction pre-dates the filing of the complaint in the Post-Delegation Dispute proceeding. In the event of any legal proceedings initiated ~~prior to or~~ in a court of competent jurisdiction during ~~an administrative proceeding in respect of a dispute that a Post-Delegation Dispute proceeding which~~ 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 proceeding under the Post-Delegation Dispute Mechanism. In contrast, submitting the dispute to an administrative proceeding panel in accordance with its applicable Registry Agreement after the filing date of the complaint but prior to conclusion of the proceedings will not suspend or terminate the proceedings under the Post-Delegation Dispute Mechanism.

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~~ Except with regard to the payment of fees and the termination of the Registry Agreement set out in 2.4.3 above, 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 AG

IRT CONSIDERATION OF WIPO POST-DELEGATION DISPUTE POLICY MECHANISM

2. ~~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.~~

3. ~~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.~~

4. ~~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.~~

5. ~~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.~~

6. ~~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.~~

~~7. Is it the least burdensome solution that will solve the problem?~~

~~No. It's least burdensome for ICANN to effectively 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.~~

~~8. Is it technologically feasible?~~

~~Yes.~~

~~9. 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.~~

~~10. Could it be characterized as creating new legal rights?~~

~~No. It would only enforce existing contractual rights.~~

<u>OUTCOME</u>	<u>BASE FEE</u>	<u>PENTALTY PORTION</u>	<u>REFUND</u>
<u>Complainant Wins</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$25,000.00</u>
<u>Complainant Loses</u>	<u>\$15,000.00</u>	<u>\$0.00</u>	<u>\$10,000.00</u>

<u>Complainant Loses and Complaint "Without Merit"</u>	<u>\$15,000.00</u>	<u>\$10,000.00</u>	<u>\$0.00</u>
<u>Registry Operator Wins</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>N/A</u>
<u>Registry Operator Loses</u>	<u>\$15,000.00</u>	<u>\$0.00</u>	<u>N/A</u>
<u>Registry Operator Loses and Defense "Without Merit"</u>	<u>\$15,000.00</u>	<u>\$10,000.00</u>	<u>N/A</u>

The above table is for discussion purposes only. The fee amounts used are for illustrative purposes only and merely reflect the IRT's recommendation that the fees be substantial enough to cover costs and deter gaming of the system by either trademark owners or Registry Operators.

The table assumes a total fee of US\$25,000.00 which consists of two components:

1. US\$15,000.00 administrative fee and costs.
2. US\$10,000.00 additional portion for compensation to winning party upon a finding that a complaint or Registry Operator defense is "without merit." Under certain determinations, this portion of the fee may be refunded.

As set out in the body of the proposal, this US\$25,000.00 fee is paid up front by the complainant upon initiation of the Post-Delegation Dispute. The fees are collect from the Registry Operator only in the event a Panel finds against the Registry Operator.

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~~clarity, 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~~considered 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.⁷⁸

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.⁷⁹

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.

~~⁷⁸ See Appendix A attached hereto and hereby incorporated by reference.~~

⁷⁹ The IRT acknowledges that some comments raised privacy concerns about this recommendation. However, it notes that the thick registry Whois model has been employed in many new gTLDs for many years without any evidence of legal problems, and also that ICANN, on the unanimous recommendation of the GNSO Council, has established a procedure that can be invoked by any registry that believes it faces a conflict between its contractual Whois obligations and requirements of national privacy laws. See <http://www.icann.org/en/announcements/announcement-18dec07.htm>. To date, this procedure has never been invoked.

APPENDIX A THICK WHOIS

~~11. 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.~~

~~12. Does it accommodate the limits and territorial character of trademark rights?~~

~~Yes. It is neutral regarding trademark rights.~~

~~13. Does it work for IDNs?~~

~~Yes.~~

~~14. 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.~~

~~15. 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.~~

~~16. Is it the least burdensome solution that will solve the problem?~~

~~Yes.~~

~~17. Is it technologically feasible?~~

~~Yes.~~

~~18. 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.~~

~~19. Could it be characterized as creating new legal rights?~~

~~No.~~

IRT REPORT AND RECOMMENDATION ON USE OF THE ICANN DEVELOPED ALGORITHM IN THE STRING CONFUSION REVIEW DURING THE INITIAL EVALUATION

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.⁸⁰

Given that legacy registries (gTLD, sTLD and ccTLD) and trademark owners (GPML)⁸¹ 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.⁸²

⁸⁰ 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).

⁸¹ Globally Protected Marks List, see [_____](#), pp. 16-18, *supra*.

⁸² ~~See Appendix A attached hereto and hereby incorporated by reference.~~

APPENDIX ALGORITHM

~~20. Will it scale?~~

~~Yes. Issue of multiple languages should be analyzed.~~

~~21. Does it accommodate the limits and territorial character of trademark rights?~~

~~It does not relate to trademark rights. Only strings.~~

~~22. Does it work for IDNs?~~

~~Yes.~~

~~23. What are the costs and who pays them?~~

~~Hiring the additional analysis staff. ICANN.~~

~~24. How could it be abused/gamed? Have these risks been minimized?~~

~~The second analysis is built in to avoid abuse.~~

~~25. Is it the least burdensome solution that will solve the problem?~~

~~Yes. If the algorithm is used at the top level only.~~

~~26. Is it technologically feasible?~~

~~Yes.~~

~~27. 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.~~

~~28. Could it be characterized as creating new legal rights?~~

~~No.~~