

UNIFORM RAPID SUSPENSION SYSTEM (URS) PROPOSAL (15 Feb.-1 April 2010)

Source: The text of the comments may be found at <http://forum.icann.org/lists/urs-15feb10/>. The transcript text (Nairobi meeting) may be found at <http://nbo.icann.org/node/8927>.

KEY POINTS:

- The URS is available only for the clearest cases of infringement.
- To prevail in a URS proceeding, the trademark holder will have to meet the high burden of proof of clear and convincing evidence.
- Given the nature of the proceeding and rapid intent, the remedy is suspension rather than transfer.

SUMMARY OF COMMENTS

General Process Comments

Seeking Assistance from Provider. It is disappointing that ICANN is not reaching out for assistance from those experienced with the UDRP to ensure that the URS avoids many of the problems (e.g., loopholes and inconsistencies) that have been inherent in the UDRP process. In addition, use of instructive language to examiners (e.g., “should”, “example”) should be separated out from absolute rules and guidelines for the process (e.g., section 8). There are still serious procedural issues that must be resolved before the Board can vote to approve the URS. For those who may choose to administer a URS, there are many open-ended questions of practical and significant importance. ICANN should include NAF in discussions about URS implementation before the URS is finally approved. *NAF (31 Mar. 2010)*.

Possible Chilling Effect. If new gTLDs will operate under additional and differing procedures than those applied to existing gTLDs, this could lead to a “chilling effect” on the adoption of new gTLDs by registrants and Internet users. Supporting the URS in addition to the UDRP will impose an additional cost and resource burden on registries and registrars. It is also of concern that the ICANN Board approved the inclusion of the URS in the next version of the Applicant Guidebook while the topic remained open for public comment. It is impossible to know if this action deterred additional comments or material contributions to the proposal or if the staff and Board will fully consider the comments that are made. *Go Daddy (1 April 2010)*.

Increases the Time and Cost. While the URS is intended to be cheaper and faster, it adds intermediate steps and redundancies for providers that increase the cost of administering it. The process has not reduced the overall time for the dispute by any significant amount. From the provider and examiner standpoints, URS cases will effectively be exponentially longer because a case that was once closed in 45-50 days will now need to remain available for re-opening anytime up to two years later. *NAF (31*

Mar. 2010). While appreciating the STI efforts, the STI recommendations as they currently stand do not resolve the overarching rights protection issues, reduce costs for trademark owners, or reduce the need to file defensive registrations. The addition of the URS may result in additional costs. *Grainger (30 Mar. 2010). Adobe (1 April 2010).*

URS Too Late in Process to Deter Abusive Conduct. The U.S. Department of Commerce or GAC should mandate Verified Whois via a PIN system (i.e., physical letter with a PIN code mailed to registrants to ensure address accuracy before a domain name gets activated). This would be a far greater deterrent to abuse and more effective than the URS, which tackles the problem after it is too late. *G. Kirikos (1 April 2010).*

URS is Policy. The URS is “policy” under the Affirmation of Commitments. ICANN or the GNSO have not published an analysis of the negative effects of the decision and an economic valuation of the financial size of the positive vs. negative effects to determine whether the benefits exceed the costs. On that basis alone the URS should be rejected as not finished and sent back for consideration using expertise of those who are not lawyers. *G. Kirikos (1 April 2010).*

Support for the Process. The URS has the potential to be an effective RPM as it is focused on actual infringement as opposed to the possibility of infringement. The procedures and remedies represent a fair balance of interests. *Demand Media (1 April 2010). R. Tindal (1 April 2010). J. Nevett (1 April 2010). D. Schindler (1 April 2010).*

URS Should be Mandatory. The URS should be mandatory. *Grainger (30 Mar. 2010).* URS is vital; it is the only RPM directed at abusive registration, and it should be strengthened as we recommend. *ECTA/MARQUES (1 April 2010). IHG (1 April 2010). Time Warner (1 April 2010).* With the adoption of modifications to the URS, which IPC proposes, we would have a mandatory minimum that is acceptable on the question of the URS. *IPC (1 April 2010).*

UDRP Reform. ICA has no serious objection to the inclusion of this version of the URS in the next version of the DAG and suggests technical improvements and clarifications regarding the proposed URS language. ICA questions the advisability of having different RPMs available for new versus incumbent gTLDs and advocates the initiation of a PDP for comprehensive UDRP reform to establish uniform rules and procedures across the entire gTLD space. *ICA (1 April 2010).*

The IRT recommendations were more comprehensive. In general, the recommendations in the IRT report provide better and more comprehensive tools for preventing and combating trademark abuse than the proposed TMC and the draft URS. The TMC and URS should be adopted by the Board subject to the amendments set forth in Microsoft’s comments. *Microsoft (1 April 2010).*

Interoperability with UDRP. The present URS does not optimally complement or interoperate with the existing UDRP, nor does it produce a substantially more time and cost efficient enforcement option. Consideration should be given to the consequences of design elements that make distinctions between trademark examination procedures (note the opposition on this issue in public comments regarding the Trademark Clearinghouse proposal). *WIPO Center (30 Mar. 2010).*

We are concerned about the evolution of the URS proposal from where it started, with questions raised if two distinct URS and UDRP processes are being retained. The UDRP should remain the fundamental vehicle where a domain name registration has been registered in bad faith and a brand owner wishes to enforce its rights and recover it to manage and use going forward. It is important for the URS and UDRP to be two distinct processes, clearly identifiable, to ensure certainty. Lovells calls on ICANN to make a compelling demonstration that the URS will be significantly cheaper and faster than existing mechanisms. *Lovells (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

Opposition to the Process. The URS would be disruptive to legitimate businesses owners. Allowing unscrupulous parties to file complaints without penalty could cost small businesses tens of thousands of dollars. Trademark holders already win most UDRP cases. Fast tracking the process and lowering the costs will only encourage predatory actions. *J. Burden (8 Mar. 2010)*. The URS will lead to increased abuse. The penalty for frivolous complaints should be much higher; a pattern of such complaints should have a bigger penalty and such pattern should also be considered by UDRP panels. *J. Monastero (31 Mar. 2010)*.

Review of the URS. The current draft URS makes negative changes to the original STI proposal for the URS, with significant limitations on registrants' procedural rights. Its effectiveness has been limited by the changes made such as the omission of mandatory review of the URS, which had received unanimous consensus and would eventually determine the success of the URS. *K. Komaitis (1 April 2010)*. Section 10 of the GNSO-STI recommendation, the mandatory review of the URS, should be included in the proposal. *NCUC (2 April 2010)*. ICANN should review the efficiency of the URS on an annual basis so that recommended changes can be made to it in a smooth manner without need for a lengthy policy development process. *ECTA/MARQUES (1 April 2010)*. The first review of the URS should be done 12 months after the launch of the first new gTLD and it should involve members of the original IRT if available. *IPC (1 April 2010)*.

STI Language Regarding the Rights of Registrants. The current URS draft strips away the rights of good faith registrants. Reducing both the UDRP 4 (c) and the Safe Harbors protections to mere defenses does not provide the clarity that the STI intended, the GNSO Council approved, and the community expects. Mere defenses are not absolute protections. Discarding the clarity of the STI language, including its express protections for good faith registrants and express guidance and specific criteria for URS Examiners, will very likely open a flood of cases never intended for the URS and these cases will not have the balance of protections intended by the STI. *PIR (1 April 2010)*.

White-listed registrants. Registrants should be able to white-list themselves to opt-out of the URS (and UDRP) through mechanisms such as Whois verification or posting of security bonds with their registrars. *G. Kirikos (1 April 2010)*.

URS-UDRP relationship. Does URS Section 12 ("A URS Determination should not prejudice the party in UDRP or any other proceedings") negate the UDRP requirement that parties disclose any other legal proceedings the parties have been a party to with respect to the domain name? *NAF (31 Mar. 2010)*. Any complainant losing a URS should be precluded from getting a second "kick at the can" via the UDRP for a period of

two years for the same domain name. They can use the court system. *G. Kirikos (1 April 2010)*.

Analysis and Proposed Position

ICANN appreciates all of the comments it has received, both in favor of and against implementation of the URS. The public debate has been productive and informative for all stakeholders. On balance, including the URS as an additional RPM in the new gTLD program has been accepted as a positive change: protecting rights holders more economically against clear-cut cases of abuse. The more specific comments are addressed below.

It has been suggested that ICANN is not reaching out for assistance from those who have experience with the UDRP to ensure that the URS avoids the perceived problems of the UDRP. To the extent there are specific comments and suggestions about what should be considered and is not, they are welcome and have consistently been sought through a variety of different public comment fora. Furthermore, WIPO, rights holders, registrants, registrars, registries and other stakeholders have been actively involved on their own accord and provided substantial input in all phases of this process, including the URS.

One party opines that implementing the URS for new gTLDs and not for existing ones may cause people to not utilize the new gTLDs. If registrants are not infringing any trademarks, however, registrants should have no concerns about registering names in a new gTLDs that employ additional trademark protection mechanisms. Due consideration has been given to ensuring frivolous claims are not encouraged. The URS addresses only clear-cut cases of abuse. It is an improvement in the overall landscape – one has to start somewhere, even if the change is not for all TLDs.

A question has arisen as to whether the Board's resolution to include the URS in the guidebook chilled comment. A substantial amount of time has been provided to everyone to comment on the URS and that opportunity continues. Furthermore, the URS was sent to the GNSO for guidance as to whether the Board could approve implementation of it thereby prolonging the comment period. Given the breadth and expanse of the comments, it is unlikely that any chilling effect has taken place.

Comment has suggested that the revision to the URS procedure, which among other things allows the URS to be re-opened, will make the cases last longer or cost more. While the procedure has been modified to allow for review over an extended period of time, the remedy is not delayed if the trademark holder prevails. The cases will still conclude in 45 days. Moreover, given that the cases are limited to clear cut cases of abuse, the danger of any prolonged effect is believed to be minimal.

A related comment suggested that the STI recommendations do not resolve overarching rights protection issues. It is important to note that, along with the URS, other rights protection mechanisms (RPMs) have been developed with the new gTLD Program that were not previously available for trademark holders. Some of these RPMs are intended to reduce costs. There is no single mechanism that can eliminate all issues for all trademark holders. The RPMs, however, do provide a set of solutions to address such issues and provide a deterrent against abusive practices.

Some comments support the inclusion of the URS as an RPM and suggest that the procedures and remedies represent a fair balance of interests. Others support the mandatory nature of the URS, as it is directed to abusive registration.

Questions have arisen as to whether the RPMs will or should be applied to existing TLDs. At this time, the RPMs will apply only to new TLDs. As this and other RPMs are implemented, it is fully anticipated that a review of those RPMs will be conducted in due course.

It has been suggested that the IRT proposal be accepted as drafted. The IRT Report provided a good very base from which to evaluate the needs, concerns and interests of the various stakeholders and to obtain comments from all relevant parties on the details of the recommendations. As a result of the public comments, a further analysis and review was conducted by the STI, more public commentary as well as the staff and Board review. The result is the current version of each RPM, which is believed to be a balanced approach to satisfying GNSO policy recommendations with trademark holder concerns.

One commenter complains that the URS does not compliment or interoperate with the existing UDRP. Another suggests they should be distinct and separate. As the URS was designed, it was intended to be a separate RPM from the UDRP addressing more clear-cut cases of infringement resulting in a different remedy. The URS was not intended to be part of the UDRP, rather, to be complimentary to it.

Some have suggested that the URS would be disruptive and encourage predatory actions. However, the URS is available only for the clearest cases of infringement and in order to prevail, the trademark holder will have to meet the high burden of proof of clear and convincing evidence. Moreover, the remedy is limited to suspension. It is believed that the burden of proof coupled with the limited remedy will curtail the likelihood for abusive claims. Abusive complainers are barred from the process.

It has been suggested that the omission of mandatory review of the URS has undercut its effectiveness. The idea of reviewing of the URS performance has always included in the proposal planning. That said, in order to respond to this comment, such a review has now been specifically addressed in the URS proposal in section 14.

It has been suggested that renaming the safe harbors as affirmative defenses has eliminated rights and clarity. "Safe harbors," within the URS, are absolute bars to a claim in all circumstances. While some may believe that rights were affected by this change that is not the case. The language modification strikes a balance between the trademark holder bringing the claim and the rights of the registrant who remains free to allege the defense of good faith. However just as there is no absolute right for the trademark holder to prevail, similarly there is no absolute right to prevail in the basis of alleged good faith, otherwise all would allege it and no successful claim could ever be brought.

It has been suggested that registrants should be able to opt out of URS and UDRP by posting a bond or using Whois verification. As drafted, each of the RPMs are intended to apply to the launch of new TLDs, and specific opt out provisions are not envisioned in the future. If not carefully thought out, a registry's ability to opt out potentially could lead

to a safe zone for trademark infringers, thereby leaving a court as the only available forum to trademark holders to protect its rights. The UDRP has been a fair and successful, non-judicial avenue for trademark holders and the URS is meant to be the same. In the future, additional RPMs such as posting a bond and Whois verification should be considered, as well as their inter-play with the existing RPMs.

A question has arisen as to the effect of URS Section 12 (“A URS Determination should not prejudice the party in UDRP or any other proceedings”) on UDRP obligations. Since the URS and the UDRP are different and there is no preclusive effect of the URS on any other proceeding, the obligations under the UDRP do not appear to be affected. Disclosure should not prejudice a UDRP determination. While there is that possibility, it is thought that non-disclosure of a previous determination is a worse choice.

URS Elements and Procedures

Substantive Review of Trademarks. Exclusion from the URS of trademarks registered in jurisdictions that do not perform a “substantive review”, as well as the exclusion of common law rights, would be unfair and problematic. *BBC (31 Mar. 2010)*. The proposal’s discrimination against jurisdictions that do not conduct a “substantive review” should be rectified. At a minimum, ICANN must give the most objective and precise definition possible of what should be considered a “substantive review/examination”. For instance, ICANN could define jurisdictions that do not conduct “substantive review” or “substantive examination” as those that do not provide for an examination or an opposition between filing and registration of a trademark. However, such trademarks would be subjected to an examination and/or opposition after registration. National systems falling into this category could be exhaustively listed by ICANN and there would then be an additional burden on a trademark owner to produce evidence that their trademark has successfully passed post-registration examination and/or opposition. In sum, the URS should protect court validated and registered trademarks. If a trademark has been registered without prior examination and/or opposition, the URS complainant will have to produce evidence that its trademark has successfully passed post-registration examination and/or opposition. *Lovells (1 April 2010)*.

Should not be limited to Trademarks in Clearinghouse. While data from the TMC is an essential factor, URS eligibility should not be limited to trademarks included in the TMC. *ECTA/MARQUES (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

Use of common law rights. Can an examiner use common law rights as a bolster for registered rights? E.g., if a complainant brings forth rights in a trademark that is a full name, but the domain name is for a commonly-used nickname for that product, can complainant bring evidence of its common law rights in addition to information regarding its registered marks? (sec. 1.4(e)) *NAF (31 Mar. 2010)*. It is ironic that a complainant can launch a URS procedure on the basis of trademark rights whereas a registrant can defend such action on the basis of common law rights. The URS procedure should be able to consider a complainant’s common law rights. *BBC (31 Mar. 2010)*.

Languages. Leaving the issue of languages for providers to sort out would be an abdication of ICANN’s responsibility. There are significant problems with the language of proceedings (sec. 4.1). Letters may come from respondents in a variety of languages. Providers should not have to translate all documents—it is logical to pass them on to the panel members who speak the language. *NAF (31 Mar. 2010)*.

Time limits. The time limits should include an exception for weekends (sec. 4). *NAF (31 Mar. 2010)*.

Consolidated proceedings. The URS should allow consolidated proceedings with multiple unrelated complainants having the ability to join a single complaint against a single domain name registrant or related registrants. *ECTA/MARQUES (1 April 2010)*. *Time Warner (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

Registrant verification. The proposed URS does not address registrant verification, which has been an issue in UDRP proceedings involving select registrars. If registrant verification ultimately is required, non-response by the registrar by the URS provider-imposed deadline should not delay the rapid intent of the process. If no verification is

received by the URS provider by the stated deadline, the URS provider should rely on the registry's publicly available Whois information for the domain name as of the date the complaint was filed. *Grainger (30 Mar. 2010)*.

Analysis and Proposed Position

Some commenters oppose the limitation to marks that have been substantively reviewed at the time of registration with the relevant authority. That said, the comment is well taken in that there should be the ability to show that a registered mark has been substantively reviewed subsequent to registrations. Accordingly, the current proposal now indicates that nationally and multi-nationally registered marks in jurisdictions that conduct a substantive review upon registration, all court- and Clearinghouse-validated marks, and all marks recognized by statute or treaty now effective and effective prior to adoption of the GNSO policy recommendation on 26 June 2008 can serve the basis for a URS claim. (It is important to recognize that the URS is meant to apply to just the clearest of cases of infringement. And, if the complainant chooses, it should feel free to utilize the UDRP, which does recognize much broader trademark rights.)

It has been suggested that URS eligibility should not be limited to trademarks included in the Clearinghouse. As stated above, the URS is currently proposed, registration in the Clearinghouse is not a prerequisite.

Comments suggest that the language of the proceedings should be determined by ICANN not by the providers. The intent here is for the providers to coordinate with the Examiner and the parties to ensure that the most effective language is utilized in the proceedings. As an outsider to the proceedings, ICANN is the least well-positioned to make that determination.

Comments suggest that the time limits except weekends. However, the time limits were adopted with an eye toward the proceedings being rapid and global, excepting weekends would unnecessarily slow them. When discussed in the IRT and STI, the timing discussions were taking into account that weekends did not toll the counting. Expanding the time limits would change the IRT and STI recommendations. While it is important to question the IRT and STI conclusions through this public comment process, in this case, there is no reason seen to change them.

Comments suggest that the proceedings should be consolidated with multiple unrelated complainants. The manner in which claims can be joined to ensure rapid review is set forth in the procedure, which does allow consolidated proceedings against related registrants.

In answer to the question in the comments above, Whois data will be used to determine the address for contacting the registrant/respondent; verification shall not be required.

Complaints and Responses

Standards should be raised. The standards for URS complaints should be raised (e.g., (i) the distinctive part of a domain name in dispute should be identical to a trademark but not confusingly similar; (ii) the website should demonstrate its use for the goods/services the trademark is registered for) and the outcome of the procedure should be as in UDRP. In addition or alternatively, if we leave suspension as a remedy, then probably we should turn from trademark protection to copyright protection because when the whole website infringes copyright the most efficient way to fight the infringer is to suspend the domain name (act through the registrar, but not the hosting-provider). *V. Kolosov (9 Mar. 2010)*.

Complaints against professional cyber squatters. The complainant must be able to “bundle” into one complaint all of the proposed domain names that are “confusingly similar” to its trademark and registered by the same registrant. Professional cyber squatters are now registering hundreds of similar domain names at the same time. It is likely this behavior will carry over into new gTLDs and the URS must provide adequate blockage to such conduct. *IHG (1 April 2010)*.

Clarification of materials to be submitted with Complaint. IBM seeks clarification whether a complainant initiates the URS proceedings with the URS provider by filing not only a complaint but also any supporting materials for it. If the supporting materials may be filed after the complaint, clarification is needed on what deadlines apply. IBM would also like clarification whether the response must include any supporting materials or whether they may be filed after the response, and that the qualified examiner will receive the complaint, response and any supporting materials accompanying either. *IBM (1 April 2010)*.

Form Complaint. To maximize efficiency and the intended rapid nature of the URS, ICANN should adopt a form complaint and include a reference in Section 1.4 to the use of the data in the TMC to streamline the complaint procedure. *INTA Internet Committee (1 April 2010)*.

Administrative Review of Complaint. The initial examination of the complaint (sec. 3) should take place within 1-2 days of receipt by the URS provider, and not take more than 5 days. *Grainger (30 Mar. 2010)*. An administrative review timeframe should be added to require a determination within two days after the filing date whether the complaint is deemed compliant or defective, and a specific timeframe should be added for when a complainant notified of a defective or deficient complaint must respond with an amended complaint without having to pay an additional fee to start the process. Complainants must be timely informed (without a final adjudication on the merits to avoid any *res judicata* argument on a new filing) if it is found that URS is not the proper avenue for a complaint. *INTA Internet Committee (1 April 2010)*. What period of time does the complainant have to fix any omissions? The UDRP calls for 5 days (which many filers feel is too short). However, increasing this timeframe will of course increase time to decision (sec. 3). Assuming that the respondent would have at least as much time as the complainant to fix any deficiencies, this adds more time and work from the provider. *NAF (31 Mar. 2010)*.

Notice. There should be notice made to attorneys of domain registrants, whose contact data would be in the public Whois on an opt-in basis. This will increase the odds of

“actual notice” of complaints. *G. Kirikos (1 April 2010)*. Instead of 20 days for notice, the notice period should be a formula based on the age of the domain name. *G. Kirikos (1 April 2010)*. Clarification is requested that the URS provider will provide the registrant with not only a copy of the complaint but also any supporting materials accompanying the complaint. *IBM (1 April 2010)*. To reduce fees, email should be used for all correspondence with parties and notices. *INTA Internet Committee (1 April 2010)*.

Notice in case of Whois—privacy service. If the Whois lists a privacy service, does the provider need to do anything else with respect to notice of the complaint? (sec. 4.3) *NAF (31 Mar. 2010)*.

Identification of parties. The rule calling for complainant’s name should be a separate sub-rule from that calling for a recitation of respondent information (sec. 1.4(b)). *NAF (31 Mar. 2010)*.

No compliance check for responses. The URS approach of not providing for any compliance check for responses is correct because respondents typically are not represented by counsel and are unsophisticated in legal matters. All communication in a case is forwarded to the panel and the panel determines whether or not to consider a response. It is a matter of fundamental fairness to allow respondents to respond however they can with the examiner making inferences from omissions as appropriate (sec. 5.5). *NAF (31 Mar. 2010)*.

Shorten answer period. The answer period should be shortened to 14 days as recommended by the IRT. This is an appropriate compromise given that the potential harm to a registrant is far less under the URS than under the UDRP (e.g., no transfer, response possible after default, *de novo* review, etc.). *Microsoft (1 April 2010)*. *ECTA/MARQUES (1 April 2010)*. *Time Warner (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

NCTA opposes both extending the response time to 20 days and allowing a registrant to request additional seven days to respond with no requirement that cause be shown. NCTA also strongly opposes allowing late responses where proper notice is given and the lack of requiring a fee for a late response after the determination is made. There is also no rationale for allowing a late answer after a default determination. NCTA also opposes allowing a registrant to obtain *de novo* review by filing an answer within two years after a decision is made against a defaulting registrant. The proposal creates an incentive for the registrant to deliberately default and then threaten to file an answer within the 2 year period unless it receives a substantial payment from the trademark owner. *NCTA (1 April 2010)*.

Section 5.6 revision. Section 5.6 in its opening sentence is too passive. New language should be added to revise this section as follows: “The Response can contain any facts refuting the claim of bad faith registration by setting out any of the following circumstances, which, if found by the Examiner to be proved based on its evaluation of all evidence, shall result in a finding in favor of the Registrant.” *NCUC (2 April 2010)*.

Extra time for a response. Allowing extra time based on good faith is sufficient and in line with the consensus of the GNSO. *NCUC (2 April 2010)*.

Analysis and Proposed Position

It has been suggested that the standard for URS complaints should be raised to identical only, and that the remedy should be the same as the UDRP. Clear cut cases of infringement can exist beyond instances of an identical mark to confusingly similar which is why pure identity was not used, nor suggested by the STI, as the URS standard. Additionally, a finding of bad faith is also a required element, providing a safeguard for names similar to registration. Moreover, the remedy is intended to be separate and different from a UDRP proceeding.

One commenter suggested that all domain names that are identical or confusingly similar to a trademark can be the subject on a single complaint. That is true: if the domain names at issue are registered to one registrant or related entities they can be so included.

Questions have arisen regarding the filing particulars for a URS complaint and whether supporting materials are to be filed with the complaint and response. While the particulars will be left to the provider, as the procedure is drafted, it is envisioned that supporting materials are to be submitted with the complaint and response so that the speed of the process can be maintained.

It has been suggested that a form complaint be adopted to maximize efficiency. While all efforts are made to ensure that the process be rapid, and the complaint be as simple and formulaic as possible, a strict form complaint does not seem appropriate, particularly given the fact-sensitive nature of each case and the burden of proof by clear and convincing evidence. An in-depth discussion on this issue occurred in both the STI and IRT – both wielded a less formulaic approach than a form complaint.

Some have suggested that initial examination or administrative review take place quickly and not take more than five (5) days. Such comments make sense and a three-business day requirement for completion of administrative review has been added to the URS proposal. Questions have also been asked regarding the time in which a complainant has to fix deficiencies in the complaint. Given the nature and anticipated cost of a URS proceeding, no additional time has been built into the procedure. Rather, the Provider will dismiss the complaint without prejudice to the complainant filing another complaint, although that will require another filing fee.

One party has asked for clarification as to the materials the Provider will provide to the registrant. The registrant will receive the notice of the Complaint, as well a copy of the complaint and the supporting materials submitted with the Complaint. Further, it has been suggested that email be used to reduce costs. To insure notice of the complaint is received, a variety of methods will be used. Thereafter, the parties can and should use email. Finally, as notice is provided to the registrant and a privacy service is the registrant, the Provider need not provide notice to any other party.

A few questions about notice requirements have been raised, including notice to counsel or privacy service identified in Whois data, a formula for notice with timing based on the age of the domain name, and whether the provider must submit supporting materials. First, it is thought that implementation of the URS should not be the place for a change in Whois policy – notice will go to registrants listed in Whois. If a privacy service is the registrant, that shall be the entity to which provider sends notices. Second, creating a formula of notice timing based on age of name would create undue complexity and could

lead to inaccurate calculations of time. Finally, the provider will electronically provide the registrant with supporting materials that were submitted with a copy of the complaint.

It has been suggested that the response time be shortened to 14 days and the cause must be shown to seek an extension. The 20-day and extension period was built on a compromise of many parties, balancing the benefits and possible harms of shorter and longer periods. Other comments suggest that the ability to submit an answer after default is inappropriate, and suggests that the additional time to appear and defend will lead to predatory practices of the registrant.

Although the IRT proposal allowed for 14 days, further review, the STI and public comment has suggested that more time might be necessary for a registrant to obtain counsel and formulate a defense. The current response period is an attempt to balance the need for expeditious review with the rights of the registrant to have counsel to appear and defend. On balance, it is believed that the answer period of 20 days does not substantially prejudice the complainant and the ability to seek a short extension does not either. Further, while it is possible that a registrant might default intentionally, it is believed that these circumstances would be rare since they will lose use of the domain in the process. As such, on balance the potential harm is outweighed by the rights of the registrant to appear and defend and/or obtain review of the proceedings.

Comments suggest revising opening sentence of section 6, but the precise language sought to be included is already included at the end of section 5.6. Thus as the meaning is captured as suggested, there appears no need to revise the language.

Standards

Clear and convincing standard. It may be difficult for a trademark owner to prove by clear and convincing evidence that the registrant lacks a “legitimate interest” in the domain name. A more logical system is for the registrant to bear the burden of proving it has a legitimate interest once the complainant has established the other elements of the URS complaint, namely that the registered domain name (i) is identical or confusingly similar to a trademark in which the complainant has rights, and (ii) was registered and is being used in bad faith. “Legitimate interest” in the domain name could be treated as an affirmative defense of the registrant for which it should bear the burden of proof. *INTA Internet Committee (1 April 2010)*.

Bad faith standard. Regarding section 8, some WIPO panelists have been very vocal about their UDRP cases essentially omitting the “and” from this element of the UDRP (“the Domain was registered and is being used in bad faith”). How will the URS prevent erosion of the URS’s use of “and”? *NAF (31 Mar. 2010)*. A disjunctive “OR” standard should apply to bad faith (section 1.4(e)). *IOC (1 April 2010)*. The bad faith demonstration criteria (iii) should refer to the registrant having registered the name primarily for the purpose of disrupting the business of another, rather than of a competitor. There may be many reasons why someone might register a domain name in order to disrupt the business of a third party that is not a commercial competitor. *BBC (31 Mar. 2010)*. Section 1.4 is flawed—criteria defining bad faith should be clearly stated and be exhaustive and unchanging unless changed via PDP. Panelists should not be making up new law and rules as they go along, they should be applying the rules. The safe harbors must balance Section 1.2 and be non-exhaustive. Only the clearest cut cases should win a URS or a UDRP, not a 51% to 49% probability based model. *G. Kirikos (1 April 2010)*. Further clarifications regarding what constitutes bad faith and appropriate defenses to claims of bad faith are needed. *INTA Internet Committee (1 April 2010)*.

Leniency inadvertent infringement by third party (sec. 5.8(b) (ii & iii)). While a cure period may not be suitable for an expedited process such as the URS, ICA suggests the following revision to 5.8 (b) (ii) to address this issue: “the nature of the advertising links on any parking page associated with the domain name *and the severity of any resulting infringement, the time period during which such infringement existed, and the degree to which registrant exercised effective control over such links;* and” (new language in italics). *ICA (1 April 2010)*.

Analysis and Proposed Position

The clear and convincing standard has been the subject of comments suggesting that the burden be lowered. Because the RPM is designed to remedy only the most clear-cut cases of abuse and not what might otherwise be actionable conduct, in the UDRP or otherwise, the high standard and burden of proof was selected by consensus.

Questions have arisen as to how compliance with the URS standards will be monitored. It is envisioned that Examiners will follow and be held accountable to the standards set out in the URS Procedure. Examiner performance will be reviewed periodically.

Comments suggest that the bad faith criteria should not be subject to interpretation by Examiners and that cases should be limited to the most clear cut circumstances. As

written, the current procedure is not a 51%-49% balancing as one commenter suggests – it applies to clear-cut cases only. Examiners must have some discretion to analyze the particular facts and circumstances of each case so there is no cookie cutter standard that can be used to determine bad faith. There is a fair amount of precedent from UDRP as to the defenses and to bad faith that can be informative. Furthermore it is anticipated that since URS decisions will be publicly available, standards and further clarity will emerge.

Comments suggest that the bad faith criteria in (iii) should apply to disrupting the business of another rather than a competitor and that Section 1.4 (e) [now 1.2(f)] should apply the “or” standard. The factors listed as circumstances demonstrating bad faith are non-exclusive so a complainant can argue that disruption of the business of another is also in bad faith. The standards have been the subject of significant public comment and analysis by the IRT, the STI. The “and” will not be changed to “or”.

It has been suggested that the severity of the infringement be separately considered in the factors the examiner will consider in determining the sale of traffic. In essence the Examiner, as a whole, will be considering the severity when the Examiner determines if the complainant has met the burden of proof. As such, separate consideration of it does not seem appropriate – infringement is infringement, in all cases.

Defenses

Clarify 8.2. - The “no defense can be imagined” examination standard in Section 8.2 should be clarified. *INTA Internet Committee (1 April 2010)*.

Some Defense should be dropped - Proposed defenses that improperly mire and complicate a system intended to be rapid and clear cut should be dropped (section 5.8). *IOC (1 April 2010)*.

Non-exclusivity. Presumably the list of defenses in section 5.7 is non-exclusive? Can respondents make other arguments to support a finding of no bad faith? *NAF (31 Mar. 2010)*.

Lack of Pattern should not be Defense. The fact that the domain name is not part of a wider pattern or series of abusive registrations should not in itself be a free standing defense (sec. 5.7(d)). *BBC (31 Mar. 2010)*.

Clarify Section 5.7(d): as currently written appears to assume that a portfolio-owning registrant is a serial infringer. To clarify this defense, the following language should be added: “or because the Domain Name and/or other domain names registered by the registrant are of a type and character that does not abuse the rights of others.” *ICA (1 April 2010)*.

Overlapping Claims. Absent from the Section 5.7 list of defenses is any consideration that the respondent may assert competing or overlapping claims to the same mark. In this scenario, does the URS continue or does it convert to a UDRP or other proceeding? If there is no response the decision is made based only on information submitted by the claimant. In such event, the filed claim should include evidence that the Claimant did due diligence in determining whether the respondent has a competing or overlapping mark registration for the string in question. *Go Daddy (1 April 2010)*.

Use of term “Defense” rather than “Safe Harbor”. NCUC strongly objects to the staff’s replacement of the GNSO’s negotiated safe harbor language with the weaker word “Defenses”. The staff revised proposals should either go back to using “safe harbor” or alternatively should use the Nominet language (“How a Respondent may demonstrate in its response that the Domain Name is not an Abusive Registration and is making a legitimate use of the domain name”). It should also be clarified that the scope of the URS safe harbors regarding domain name sites that operate in tribute to or criticism of a person or a business will not be limited to only those situations where there has been a previous legal determination of fair use before the criticism may be allowed. Also a wording error in section 5.8 should be corrected; section 5.8(a) and (b) should be replaced by 5.7(e) and (f). *NCUC (2 April 2010)*.

The safe harbors in the URS should include the words “without limitation” to ensure they can grow over time. URS providers have a financial incentive to expand the definition of “abuse” over time. Registrants should have that same power to check that growth through their own examples of good faith usage. *G. Kirikos (1 April 2010)*.

Analysis and Proposed Position

It has been suggested that any defense that complicates a system intended to be rapid should be eliminated. This position makes sense and it is believed that the current framework provides for those defenses necessary for the protection of a registrant without adding unnecessary delay.

A question has arisen as to whether the list of defenses in section 5.7 is exclusive. The answer is no. Respondents are free to make any argument that supports a finding of no bad faith.

One party has asked whether the fact that the domain name is not part of a wider pattern or series of abusive registrations is in itself a free-standing defense. It is not. It is part of a defense that also requires a significantly different type or character to the other domain names registered by the Registrant.

It has been suggested that section 5.7 suggest that portfolio-owning registrants are serial infringers. A review of the language of that section does not support such an assertion and indeed it is intended to allow for defenses to any such claim.

A question has arisen regarding the effect of overlapping claims in the same mark. If in fact there are legitimate overlapping claims, there can be no bad faith and the respondent will prevail.

Comments suggest that the word defense should not have replaced the words safe harbor in the GNSO-STI model but has not said why. The language modification strikes a balance between the trademark holder bringing the claim and the rights of the registrant who remains free to allege a defense of good faith. However just as there is no absolute right for the trademark holder to prevail, similarly there is no absolute right to prevail in the basis of alleged good faith, otherwise all would allege it and no successful claim could ever be brought.

Further comments suggest that it should be made clear that fair use does not require a previous legal determination of fair use. However, there is nothing in the current draft that imposes such a requirement.

It has been suggested that the safe harbors include the words "without limitation" to allow for flexibility over time. That is certainly the intent and the language provided are meant to be examples of bad faith, not necessarily the entire universe of what constitutes bad faith.

Default

Section 6. This section is a lot of words without any significance. If a declaration of default is intended to have a substantive effect then that point needs to be clearly stated. *NAF (31 Mar. 2010).*

Notice of Default. Mail and fax notices of default are unnecessary. Email should be fine; other methods increase cost and time to the provider (sec. 6.2). *NAF (30 Mar. 2010).*
Time Warner (1 April 2010)

Default and no content changes. By whom will the Registrar be prohibited from changing content? What is the penalty if the registrar changes content? Who monitors to determine if content changes? Most importantly, why can the content not change during the “default period” but it can change during the response period—presumably if a respondent was going to change the content it would be at first notice of the dispute, not 20 days later when it finds out it is in default? (sec. 6.2) *NAF (31 Mar. 2010).*

No Examination on default. To expedite the URS procedure, default cases should not warrant appointment of a panel (section 6.3). *IOC (1 April 2010).* *WIPO Center (30 Mar. 2010).* Section 6.3’s first clause should be in the Appeals section or placed in a new section called Re-opening. The *de novo* review process adds several layers of complexity and burden to the provider. *NAF (31 Mar. 2010).*

Default cases should not be expanded to include minor filing mistakes by the registrant/domain name holder (section 6.1). This unfair language in the second sentence of section 6.1, which was arbitrarily added by ICANN staff, should be removed. *NCUC (2 April 2010).*

Fee for response after default. A fee should be charged for any response filed after being declared in default. Default responses should be limited to no more than 30 days after default is declared. As with a UDRP proceeding, a Registrant retains the option of filing a legal action to reclaim the disputed name (sec. 5.1). *Grainger (30 Mar. 2010).* What is the basis for allowing the respondent to be in default up to 30 days following the determination before they would be charged a fee with their response? The Registrant should pay a fee. Prior to the determination the registrant will have had a proposed 20 days to serve a response and the ability to seek a seven-day extension. *BBC (31 Mar. 2010).*

Outer limits. While the proposal contemplates a filing fee if the response is filed more than 30 days after a determination, it makes no reference to the outer limit within which a response may be filed. To provide some assurance of finality, a response must be filed no later than 90 days after a determination. *INTA Internet Committee (1 April 2010).*

No post-default response. No post-default response should be allowed unless upon initial examination of such a response there is strong and compelling evidence that the decision was in error (sec. 6.3). In addition no default response should be allowed within 60 days of the domain name’s expiration date, especially if the site is to be returned to pre-decision status during the review. This could allow the registrant to delay the expiration of the domain name. *Grainger (30 Mar. 2010).* *De novo* reviews by filing an answer during the life of the registration should not be allowed. If the abuse is clear cut and obvious enough to warrant a decision in favor of the Complainant, there should be

nothing compelling enough in a response filed after a default to warrant automatic reinstatement of the site without at least an initial examination of the response prior to such reinstatement. *Grainger (30 Mar. 2010)*.

Two Years to file Response is too long. BBC strongly objects to the two-year period in which a *de novo* review may be requested by a registrant; two years is much too long. BBC also objects to the proposal that if a registrant files for *de novo* review the domain name then resolves back to the original IP address. The *status quo* should be maintained pending the outcome of review. The domain name should resolve back to the original IP address only where the response has been filed within a limited grace period—i.e., a few months. *BBC (31 Mar. 2010)*. The two year period for responding to default judgments runs counter to the URS's conceived purpose as an expedient and cost effective RPM and places a considerable burden on brand owners to continually monitor and manage these cases over an extended time period. *INTA Internet Committee (1 April 2010)*. The two-year period for responding to default judgments should be shortened down to 90 days or the expiration of the domain. *IACC (31 Mar. 2010)*. *MarkMonitor (1 April 2010)*. The period should be much shorter than two years and a fee should be imposed on such answers after default. *Time Warner (1 April 2010)*. A timeframe of no more than six months should be adopted to recognize the default judgment with the finality of a dismissal with prejudice. *INTA Internet Committee (1 April 2010)*.

The possibility that a registrant can answer at any point for two years brings up many practical considerations such as whether the complainant is allowed to supplement pleadings, how much time is allowed for new pleadings, who pays a new examiner if the original examiner is unavailable, is the original determination amended or is a second determination published, and what provider actions will constitute notice to the complainant that the case is being re-opened? (sec. 6.3). *NAF (31 Mar. 2010)*.

Name servers should not immediately be returned to the state prior to “hold” status until an initial examination of a default response is completed to prevent frivolous filings and delays in implementing decisions. Allowing the return to initial status would be contrary to the “rapid” intent of the URS and provide a loophole for cyber squatters to prolong the process. *Grainger (30 Mar. 2010)*.

We assume that the Complainant would immediately be notified by the URS provider of any response filed after a decision has been rendered. *Grainger (30 Mar. 2010)*.

Response

Analysis and Proposed Position

A question has arisen as to whether default is to have a substantive effect but it is unclear as to what is meant by a substantive effect. The substantive effect is that the time to seek relief from default will be calculated from the Notice of Default and that has been clarified in the revised proposal.

It has been suggested that mail and fax notice are unnecessary. The manner in which notice should be effectuated has been the subject of much consideration by the IRT and STI and on balance they arrived at a consensus that the process is more legitimate and credible when a series of efforts are made to effectuate service of notice. As such, the

option to use mail and fax of notice in addition to electronic service of materials was adopted for safety above alacrity reasons.

Some questions have been posed as to why content can be not changed during the “default period” but can be during the response period. Upon adoption, the URS will be made part of a policy that registrants will be required to acknowledged and abide by in their registration agreement. Accordingly, while there will not be any entity that blocks the registrant from changing content during the default period, doing so will be a breach of the registration agreement. At no time should the respondent change content simply to claim that it is using a website properly unless the changes are legitimate.

It has been argued that default cases should not be reviewed by an Examiner. Although that would likely allow for more expeditious review, because the cases are only supposed to resolve in favor of the complainant in the clear cut cases of infringement, they will still be reviewed by a Examiner. Given the nature of the evidence, it is not anticipated that the review will unnecessarily burden the process. As before, this issue was thoroughly discussed and balanced by a cross-constituency group in the IRT and STI. While one could reasonably decide either way – it was decided, because a registrant may conceivably miss the entire notice, that a review be held on the merits in every case.

Comments suggest that the language in section 6.1 requiring default if the answer is not in compliance is unfair. We agree. These comments are well-taken and non-compliance is now proposed to be the subject of dismissal without prejudice.

It has been suggested that fees should be charged for responses filed after default. That is absolutely the intent. One has asked why must respondent be in default up to 30 days following the determination before they would be charged a fee with their response? The overall intent is that respondents need not provide a filing fee. But the further distant in time from the original Determination, the more difficult it will be to get the same Examiner and thus more expense to get a new Examiner up to speed. Thirty days after issuing a Determination seemed reasonable to the policy developers here.

One commenter states that finality requires a response to be filed no later than 90 days after a determination. While the default and review period has been the subject of comments, the two-year period recommended by the STI will be maintained. Most cases will not be reopened given the standard and the burden of proof. As such, there is not a high probability of any real harm stemming from a lack of finality. Moreover, the trademark holder is free to pursue other and different remedies if a different level of finality is sought.

Comments suggest limiting the post-default response to situations where there is strong and compelling evidence that the decision was in error. Although other types of proceedings have similar standards, the nature of the URS lends itself to rapid review, and rapid decision, but with additional time to obtain review after Determination because the registrant has lost the registration. The STI developed this approach to protect bona fide registrants from being permanently deprived of their registration in the event not all fact present were available at the original Determination.

Questions have arisen regarding who pays for a new examiner if the Registrant avails itself of review within the two-year period following an examiner’s decision. Further

questions have arisen as to which examiner will review the case. The particular implementation for the two-year review period will be left to the service provider, however it is envisioned that the registrant would have to pay to reopen the proceedings.

It has been suggested that *de novo* review adds burdens to the provider. However, the STI determined that, given the rapid nature of the procedure, full review should be available after the Determination.

One commenter asks why would the domain begin resolving if a late response after default is filed. This commenter states that status quo should be maintained pending outcome. The idea is that if a response is filed, the respondent should be in the same position (outside of possibly having to pay a fee) as if the response was filed in a timely manner. This is another issue that could be decided either way. The current model is the STI recommendation and, given the close nature of the issue, it has been decided not to change it.

Some claim that the two-year response period is much too long and is counter to the stated purpose of an expedient and cost effective RPM. Again, this is the STI model – there are a number of equally viable options. The possibility for review, however does not undermine the speed and efficiency of the RPM. In that the cases will be limited to the most egregious forms of cybersquatting the likelihood of reversal two years later is slim and the trademark holder is free to pursue other additional remedies.

One party has asked when the Complainant will be notified by the Examiner of the decision. The Complainant will be notified under the same terms and conditions as if the Response has been filed in a timely manner.

Appeals

Detail needed. The appeals process is likely to be as complex as the original process but it is given only three short paragraphs. Many issues are raised, such as how limited is the right to introduce new material? ICANN should consider if it really wants to limit the appeal to essentially the record below. What are the timelines for appeal stages? Can an appellate examination be done by a three-member panel if one or both parties agree? If a complainant loses its URS case but wins on appeal, does the two years of “non-resolving domain name” start with the URS filing or with the time the Appellant prevailed? If the complainant loses the URS case and the appeal, the domain name must still resolve but must another lock be requested to prevent transfer/deletion (expiration) of the domain name? What happens to the publicly available URS determination if an appeal overturns it? Should it still be publicly available? *NAF (31 Mar. 2010).*

Effect of Court appeal. An appeal by the registrant in court to overturn the URS should restore the name servers to those of the domain registrant, and that appeal should be permitted at any time before a URS response is required. The registry and registrar need to obey the court in restoring the nameservers, otherwise innocent registrants would have income-generating website disrupted by bad decisions from URS providers. *G. Kirikos (1 April 2010).*

Resolution of domain name If the URS has an appeal process, the domain name should not resolve back to the registrant’s nameservers. The status quo should be maintained pending the outcome of review. The fee for appeal should be at least on the level of a UDRP. *IPC (1 April 2010).*

Timing for Appeal. The URS should have a ten-day appeal period following issuance of a decision (sec. 12). *INTA Internet Committee (1 April 2010).*

No appeal in the URS. An appeal is inconsistent with a rapid, cost-effective process and contrary to the IRT’s original design vision for “slam-dunk cases of bad faith registration”. An aggrieved party can go to a court of competent authority for a *de novo* consideration of the facts. *ECTA/MARQUES (1 April 2010). IPC (1 April 2010).*

Opposition to new *de novo* appeal standard. The new standard, rather than providing any deference to the examiner’s decision, allows the unsuccessful appellant to simply hope for a different decision by a new reviewer. The *de novo* appeal will take longer to resolve because every element of the URS must be considered anew. The allowance in the proposal for submission of additional evidence by either party upon submission of a fee should be considered only if the standard on review is changed to *de novo* (which NCTA opposes) and the evidence should be limited to evidence not available at the time of the initial proceeding or which relates to an issue not raised by the parties but which formed part of the basis for the decision. *NCTA (1 April 2010).*

De novo appeal—time period. Some reasonable time period should be established during which the appeal right can be exercised. Given that a registrant has a two year right to seek *de novo* review of a default judgment, it would seem that both parties should be entitled to a right of *de novo* appeal of at least the same duration. *ICA (1 April 2010).*

Evaluation of Appeal. The staff revised proposal does not include the GNSO-STI provision on evaluation of appeal (section 8.4); this language should be inserted into the Applicant Guidebook. *NCUC (2 April 2010).*

Analysis and Proposed Position

Inquiries about the manner in which the appeal can be taken, the evidence to be considered and the effect of appeal have been raised. To answer them directly: as designed by the STI, the appeal is based solely on evidence submitted in the initial case to the examiner (absent special circumstances) and the payment of a fee. The appeal panel does remain free to consider additional evidence. Moreover, the filing of the appeal does not change the domain name's resolution. Finally, if the decision is reversed on appeal, it is anticipated that this decision will also be made publicly available. More implementation detail will be developed as the provider(s) are selected and their rules are made available.

It is understood that one commenter thinks that the domain name should restore to the registrant's name servers if registrant files an appeal in court to overturn a URS Determination. That suggestion was not adopted by the STI and the domain name status quo – pointing to URS notice page – shall remain the proposal. The STI thinking was that allowing an appeal to stay or overturn the URS Determination would undermine the effectiveness of the URS as a remedy if any displaced registrant could file and appeal to avoid the ruling.

Comments suggest that fees for appeal should be commensurate with those incurred with a UDRP. The specific costs are to be left up to the provider(s) and thus have not yet been established. Providing low cost service will be one factor in selecting a service provider.

The amount of time in which to appeal the Determination has been the subject of comment. The current proposal now includes a 30-day time limit to appeal after the initial Determination, or if applicable, the Determination after relief from default is sought.

Some have suggested that an appeal is inconsistent with the rapid intent of the URS. In creating the appeal mechanism, the STI recognized that the availability of review in no way interferes with the speed of the process since the remedy to the successful complainant is not changed by the filing of the appeal. Moreover, given that only the most clear-cut cases are sustained in favor of the complainant the likelihood the decision would be overturned is very small.

Some question whether de novo is the appropriate choice of standard of review on appeal. Given the limited size of the submission by each party, it is not believed that this standard will add significantly to the timing involved in the process, nor is it believed that the process will be subject to abuse. A registrant is not likely to default and hope for a different response by a different reviewer because in the interim, it will lose control, access and use of the domain name at issue.

It has been suggested that the evaluation of appeal per section 8.4 of the GNSO-STI Model should be included in the DAG. This point is well-taken. The Guidebook has been revised in accordance with this recommendation and now calls for the appeal to be heard by a three-member provider-selected panel, rather than a party selected panel.

This panel selection process is meant to minimize unnecessary delay.

Abusive filings

Procedures addressing “abuse”.

ICANN should provide for public comment the definitions of “abuse” and “abusive complaint” and the guidelines it expects Examiners to apply in assessing whether a trademark owner’s complaint is “abusive”. The definitions should be clear, specific and appropriate in scope. These definitions and the guidelines will directly affect the likelihood that trademark owners will be barred from using the URS. It would not be inappropriate for the ICANN Board to defer action on the URS until after ICANN has specifically put out for public comment the definitions and guidelines it proposes be used. *Microsoft (1 April 2010)*. *Time Warner (1 April 2010)*. *ICA (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

In defining “abuse”, ICANN should look to the definition of Reverse Domain Name Hijacking in UDRP Rule 1. *IPC (1 April 2010)*.

The proposal lessens the standards for imposing penalties on complainants. No guidance has yet been provided as to what constitutes an “abusive complaint” and it is silent on the burden of proof placed on an examiner before finding that a complainant filed an abusive complaint or one containing a deliberate material falsehood. This burden of proof should be extremely high in light of the severe consequences of such a finding. Examiners are not well situated to find that there was “deliberate material falsehood” because it goes to the complainant’s intent, which can only be inferred (made more difficult because the complainant is not given an opportunity to respond to such an allegation or finding). *NCTA (1 April 2010)*.

The mere fact that a complaint fails should not constitute an “abusive complaint”. *BBC (31 Mar. 2010)*. A complainant is not deemed to have filed an abusive complaint solely because the complaint is denied or because a complainant seeks to enforce its rights regularly and vigorously through the URS. *IPC (1 April 2010)*. *INTA Internet Committee (1 April 2010)*.

Section 11.2 indicates that the group was unable to define the criteria for an “abusive” complaint. Given the expedited nature of the URS along with the stated goal of its limited use in cases that clearly involve bad faith, we would consider any unsuccessful URS (i.e., decided in favor of respondent or fails Administrative Review) to be “abusive.” *Go Daddy (1 April 2010)*.

The staff should also develop in consultation with the community clearer guidelines on what constitutes “deliberate material falsehood” in this context. *NCUC (2 April 2010)*.

Penalties for abuse.

Penalties for abuse by trademark holders need to be strengthened. Alternatively, complainants should post a security bond. *G. Kirikos (1 April 2010)*.

The penalty for abuse by trademark holders in 11.2 consisting of the bar to URS use should be set to at least two years and substantial monetary penalties should be available against complainants who have committed acts of “deliberate material falsehood.” *ICA (1 April 2010)*.

Any penalty mechanism to thwart abuse must be reciprocal. ICANN should design penalties for domain name registrants who regularly abuse the system. *IPC (1 April 2010)*.

ICANN should clarify the confusing language in Section 11.2. *IPC (1 April 2010)*. Section 11.2 is confusing and does not specify the time period in which the complainant's abusive conduct took place. We recommend that a party must be found to have filed two abusive complaints within a five-year period or one complaint with a deliberate material falsehood to trigger a ban on use of the URS for one year. *INTA Internet Committee (1 April 2010)*.

IBM recommends that section 11.2 should read as follows—"In the event a party is deemed to have filed *three (3)* abusive complaints, or one (1) 'deliberate material falsehood,' that party shall be barred from utilizing the URS for one-year following: (a) the date the last of the three Complaints was determined to be abusive or (b) *the date the Determination concludes one deliberate material falsehood was filed*. [Defining Abusive Complaints remains under consideration.]" *IBM (1 April 2010)*. (new language in italics)

Section 11.2 is confusing and incomplete. The phrase "the last of the three complaints" makes no sense and ICA suggests replacing that language with "*the Complaint giving rise to the penalty*." *ICA (1 April 2010)*.

Any draconian "strike" policy should be dropped (section 11). *IOC (1 April 2010)*.

The ICANN staff report fails to distinguish between abuses on behalf of trademark owners and abuses on behalf of URS examiners. Sections 11.1 and 11.2 should be merged into one section as they deal with the same subject matter. ICANN should go back to the original GNSO-STI recommendation on abuse of process (section 9). *NCUC (2 April 2010)*.

Tracking Abuse. Assuming there is more than one provider, who tracks findings of abuse across providers? Is the complainant obligated to self-report prior findings of abuse to the examiner? What if the complainant fails to do so? Should the examiner know about prior abuse findings? If this responsibility is allocated to the provider, this sharply increases provider responsibility and intervention (sec. 11). *NAF (31 Mar. 2010)*.

Appellate process to challenge finding of abusive complaint. A *de novo* review should be required. *INTA Internet Committee (1 April 2010)*.

Appeal Finding of Abuse. Section 11.3 regarding appeal of a finding of abuse is rife with ambiguity and requires significant consideration. If the appeal can be made to the same provider/examiner and if the provider/examiner fee is paid by the appellant, are any additional pleadings allowed by either the appellant or the original registrant? What is the remedy—overturning the entire determination or just the finding of abuse? Does the second examiner modify the first examiner's written determination? Can a substantive appeal be ultimately filed simultaneously with the appeal of the abuse finding? Should providers have a sub list of appellate examiners, perhaps the ones with significant experience? Should appellate examiners be three-member panels? *NAF (31 Mar. 2010)*.

Penalties for Abusive Registrants. There should be corresponding penalties for abusive registrants. Repeat offender registrants and any related entities should be barred under the new gTLD registry agreements from registering domain names in any of the new gTLDs for a set period such as 3-5 years. *Time Warner (1 April 2010).*

Sanctions for URS abuse. Any party who abuses the URS (e.g. a serial infringer who falsifies a response) should be subject to sanctions. *ECTA/MARQUES (1 April 2010).*

Analysis and Proposed Position

Many comments indicate that the definitions of abuse, abusive complaint and deliberate material falsehood should be further defined. For abuse, some have suggested that the definition of Reverse Domain Name Hijacking should be used. It has further been suggested that any unsuccessful URS complaint rises to the level of abuse as defined in Section 11 of the URS proposal. Still others state that the mere fact a complainant is not successful should not rise to the level of an abusive complaint.

The revised proposal at sections 11.3 and 11.4 improves the guidance as to what constitutes an abusive complaint, as well as what could be deemed a deliberate material falsehood. It clarifies that abuse cannot be that simply filing an unsuccessful complaint can be deemed abusive. Some form of culpability beyond not meeting an isolated burden of proof in one proceeding will be required.

Some suggest that there should be penalties for abuse by trademark holders or alternatively that complainants should be required to post a security bond (or be subject to monetary penalties if found to have filed a deliberate material falsehood). The penalties proposed in the Guidebook are the prohibition on further ability to use the URS. No other penalties are included in the current proposal. A one-year ban is the initial prohibition, which is intended to deter future abusive or false complaints.

One group has suggested that penalty mechanisms to thwart abuse must be reciprocal. Currently, the abuse section of the URS addresses conduct of the Complainant. The perceived abuses by domain name registrants are the reasons for RPMs, as such, it was not envisioned that specific abusive conduct provisions of the URS or other RPMs are appropriate. Indeed, if a domain name registrant abuses the system, there are a variety of RPMs available to protect the interest of a Complainant.

Comments indicate that further specificity in Section 11.2 should be added and some think this should include the time period in which the conduct took place. Clarity was indeed needed and revisions have been made in the current proposal. At present, however, no time limitation on a complainant's conduct is included.

It has been suggested that the "three-strike" policy (or any number of strikes for that matter) should be eliminated. When the URS was created public comment indicated that there was a possibility for abuse of such a system by overzealous brand owners. To safeguard against potential abuse, Section 11 was included as part of the URS. Given the remedy and the type of conduct the URS is aimed at curbing, it is not anticipated that Section 11 will be used often. However, on balance, it should remain as a part of the procedure.

Questions have arisen as to how abuse will be tracked if there is more than one provider. We agree and the proposal calls for URS Providers to establish a tracking mechanism.

It has been suggested that the standard of review for an abusive complaint should be *de novo*. However, as set out in the revised URS proposal, the standard for review of a finding that the filing of a complaint was abusive or contained a deliberate material falsehood is limited to the grounds that an Examiner abused his/her discretion, or acted in an arbitrary or capricious manner. A finding that a complaint was abusive or contained a deliberate material falsehood will require satisfaction of a very high standard. It is not anticipated that such determinations will be made often. But, if they are, they should not be appealed on any grounds but Examiner abuse, which is the typical standard of appeal in binding dispute resolution proceedings. The providers' rules and procedures shall be followed for filing such an appeals.

Providers and Examiners

URS provider requirements. ICANN and the community have set a mark of roughly \$300 as an “appropriate” fee to accompany a URS complaint. There should be an annual audit of each URS provider to ensure that they are even-keeled. *Demand Media (1 April 2010).*

Fees.

The filing fee set by the provider should be \$300. ICANN should set a filing fee cap. *IBM (1 April 2010).*

The provision citing a provider fee in the range of \$300 is undetermined. As set forth the URS creates a more substantial burden on the provider, which does not lend itself to *decreasing* fees to parties (sec. 2). *NAF (31 Mar. 2010).*

Why do providers not have discretion to refund any fees? What about the portion of the fee collected for the examiner? (sec. 1.2) *NAF (31 Mar. 2010).*

When more than 26 domains are at issue, the domain name registrant should be required to pay a significant fee to file its response; this will help deter cyber squatters. *ECTA/MARQUES (1 April 2010). IPC (1 April 2010). INTA Internet Committee (1 April 2010).*

An appropriate “loser pays” provision for the URS should be established to defray its costs. *Time Warner (1 April 2010). INTA Internet Committee (1 April 2010).*

Examiner selection.

ICANN should keep in mind before promulgating specific rotational rules that many factors can come into play regarding panel selection (e.g. some panelists are simply far more available than others) (sec. 7.2) *NAF (31 Mar. 2010).*

Will URS Examiners apply to and be approved by ICANN, and will this be as individuals, as representative groups, or both? Are current UDRP providers (WIPO, NAF, CAC, etc.) eligible to participate as examiners? If so, what provisions are there to avoid the potential conflicts that could be created? (sec. 7.1) *Go Daddy (1 April 2010).*

Examiner Qualifications. The term “legal background” in section 7.1 is vague and should be clarified to require that all URS examiners be graduates of accredited schools of law. *ICA (1 April 2010).*

Panelists—conflicts. Panelists should be precluded from representing others (complainants/respondents) in other domain disputes. *G. Kirikos (1 April 2010).*

Panelist treatment of evidence. Panelists need to be reminded that evidence is not the same as proof. *G. Kirikos (1 April 2010).*

Selection of URS provider. The URS provider should be selected by the registrant or alternatively the registrar, not the complainant. *G. Kirikos (1 April 2010).*

Public URS Decisions. All URS decisions need to be made public via XML interface and plain text/HTML. *G. Kirikos (1 April 2010).*

Analysis and Proposed Position

The amount of the fee has been the subject of several comments with several different view points. Some have suggested that \$300 is an accurate amount, others have said it is too high, and others have said it is too low. While the intent of the IRT and the STI was to provide a cost effective and efficient RPM, and ICANN intends to encourage all providers to be cost-effective, it is ultimately the provider(s) that will set the fess.

Some comments state that if more than 26 domain names are at issue, the registrant should be required to pay a significant fee to respond and that this will deter cybersquatting. However, the mere existence of 26 domain names or more does not equate to cybersquatting. As discussed in the STI, a per se rule increasing the response fee will have the unintended effect of discriminating against the domain name holder.

Whether to implement a loser pays system has been the subject of public comment. On balance, it was decided that a loser pays system would not be implemented. Current experience indicates that most losing registrants will simply abandon the proceeding and the domain name. Recovery of the relatively low fee will cost more than its value.

It has been suggested that the URS providers contract with ICANN to ensure accountability. Ensuring URS Provider accountability is contemplated by the current URS proposal – but an ICANN agreement is not. This topic can be the subject of ongoing discussion.

One inquiry: will URS Examiners be approved by ICANN. The URS Examiners will be trained by ICANN but not selected by ICANN.

One commenter suggested that the term “legal background” should be replaced with language requiring a graduate from accredited law schools. The qualifications of Examiners was discussed and reviewed by the IRT and STI. It was agreed that there are panelists qualified to adjudicate URS disputes regardless of whether they attended accredited law schools. To ensure qualification, ICANN will provide Examiners with instructions on URS Elements and Defenses and on how to conduct examination of a URS proceeding.

One comment suggested panelists should be precluded from representing others in other domain name disputes. There is no such prohibition and should not be one. It may be that panelists should be precluded from representing others in URS proceedings, but all other “domain disputes” might exclude otherwise qualified Examiners without a compelling reason for doing so. This seems like an unnecessary limitation to place on Examiners.

Comments suggest that the Complainant should not select the URS provider. However, since the Complainant initiates the proceeding, they will necessarily select the URS provider. ICANN will discourage forum shopping through its URS implementation and procedures and will also include requirements to rotate panelists within a single provider.

It has been suggested that all URS decisions should be made available via XML interface and plain text/HTML. The URS Provider shall be required to post decisions on

its website. The manner and format in which it is posted will be left to the discretion of the Provider.

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Remedies

The proposal is biased against trademark owners and sets a high bar for complaints, making suspension of the domain name an insufficient remedy. For example, the current URS proposal heightens the already daunting showing that a complainant must make to prevail on a URS complaint, such as more factors drawn from Nominet's dispute resolution policy for .uk domains that would support a defense that the registrant has not acted in bad faith. The proposal fails to add presumptions in favor of trademark owners, which would support a finding of abuse that are also included in Nominet's policy. Given the high burden of proof that must be met, suspension of the domain name is an insufficient remedy. Transfer of the domain name to the prevailing URS complainant is a far more equitable and reasonable remedy. *NCTA (1 April 2010)*.

Remedy should be transfer.

URS provides no meaningful remedy against abusive second-level domain name registrations. It does nothing to ameliorate the untenable burden of defensive registrations. Transfer of the domain name or other remedies against proven cyber squatters would be more meaningful. At the very least, subsequent registrants should receive notice of prior URS suspensions and should bear the burden of overcoming a presumption of bad faith in order to register the same domain name. *IOC (1 April 2010)*.

Transfer of the domain name should be a remedy in case where the determination is in favor of the complainant, otherwise there can be a never-ending cycle of domain name watching and suspending. *IACC (31 Mar. 2010)*. *MarkMonitor (1 April 2010)*.

Domain names that have been found to infringe the rights of existing trademark owners and accordingly suspended should be transferred immediately to the trademark owner. *Adobe (1 April 2010)*.

A longer suspension period after the initial suspension period (with the complainant paying for further suspension periods) would be useful. A transfer option could be available after expiration of any appeal period if an appeal period is adopted in the URS. *Lovells (1 April 2010)*.

Choice between suspension and transfer. A trademark holder should have a choice of whether to seek a URS suspension or a UDRP transfer. The remedies for the two procedures should be distinct. Of note is that the STI recommended and ICANN adopted in its proposal a procedure whereby a successful complainant could add a year to the suspended registration, thereby giving it time to try to secure the name and preventing another cyber squatter from getting the name. *J. Nevett (1 April 2010)*.

Remedy should not be transfer. The domain name should not be transferred to the successful complainant unless the registrant has ample time to launch an appeal in court (e.g., 6 months). *G. Kirikos (1 April 2010)*.

Cancellation at option of successful complainant. The suspension of the domain and redirection to an informational web site may be damaging to the trademark of the successful complainant that has been included in the domain. It will appear to the casual observer that the trademark owner is not able to control the use of its mark in domain names on the Internet. IBM recommends that the domain may be cancelled at the option of the successful complainant instead of being suspended for the balance of

the registration period and resolving to an informational page about the URS. *IBM (1 April 2010)*.

Priority registration remedy or optional payment for successful complainant.

At the very least, the successful complainant should be given the first refusal to register the domain name when it next comes up for renewal. *BBC (31 Mar. 2010)*.

The URS is the only post-launch remedy for second level. The only remedy allowed under the URS to a successful complainant is suspension and then payment of extra money to allow the suspension to move on for one extra year. Maybe the remedy after suspension is that you should be able to buy the domain name on a priority basis. *Z. Jamil, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 19 (8 Mar. 2010)*.

A better URS remedy would be to allow the successful complainant to pay a reduced fee in order to keep the domain suspended for one additional term equal to the initial registration term and, at the end of this additional period of suspended registration, allow the successful complainant to purchase the domain name before it is returned to the pool of available domain names. This is the same remedy provided in the final IRT report. *IPC (1 April 2010)*.

Successful complainants should be afforded a priority period in which to register a domain that has been locked before it is made available on the expiration date. ICANN should review the .DE “Dispute Entry” process that has operated successfully for over a decade. *ECTA/MARQUES (1 April 2010)*.

The option for a successful complainant to pay to extend the registration period for one additional year needs to be clarified. During the extended registration period, will the Whois display the information of the original registrant or that of the complainant? Will the successful complainant be able to make changes to the site and the registration information? *Grainger (30 Mar. 2010)*.

The URS should have a stronger remedy. If the complainant gets the default determination based on no response from the registrant and the section 8.2 standard of “no defense could be imagined” that could reverse the finding, then the remedy should be a perpetual suspension of the domain name in question unless the trademark owner wishes a transfer to its control. *IHG (1 April 2010)*.

A longer freeze period should be available to a successful URS complainant. *Time Warner (1 April 2010)*.

The lockdown period should run for as long as the trademark rights on which the URS was predicated are reflected as valid in the TMC and subject to the registrant’s ability to file a late answer to remove the suspension. There may also be circumstances where transfer is appropriate. *INTA Internet Committee (1 April 2010)*.

Domain lock.

The lock should be done by the registrar, not the registry, which will allow the registrar to contact their client and to improve the odds of actual notice. *G. Kirikos (1 April 2010)*. The URS provider must have recourse if a registry fails to “lock” a domain after receipt of

notice from the URS provider; the provider should not have to send multiple requests to a registry to get a name locked (sec. 4.2). *Grainger (30 Mar. 2010)*.

Given that a “locked” domain still resolves following which there is a period of at least 20 days when the offending website remains visible, there should be an interim remedy in cases of significant potential harm. *BBC (31 Mar. 2010)*.

Prohibition on deletion of domain. NAF commends the prohibition on deletion of the domain and asks ICANN to also consider preventing expiration of the domain pending the URS outcome (e.g., the provision in the EDDP 3.7.5.2 could require domain names to be held pending the outcome of the dispute, usually fewer than 60 days). *NAF (31 Mar. 2010)*.

“Holding page” of a domain name in case of successful URS complaint. The holding page a domain name routes to in the case of a successful URS complaint should be used only to provide information on the URS with a statement that the site in question has been subject to a successful URS proceeding in addition. It should not include any advertisements or be used for any other purpose. *IPC (1 April 2010)*.

Registry implementation of determination. The remedies section (sec. 10) does not address how long the registry has to implement the determination. NAF has seen countless cases where a complainant prevails but the registrar drags its feet for up to a year before transfer of the name. *NAF (31 Mar. 2010)*.

Costs of maintaining suspended registrations. With respect to remedial actions resulting from a URS decision (sec. 10), how does the registry offset the costs associated with maintaining and managing the suspended registration for up to one year? *Go Daddy (1 April 2010)*.

Operation of the suspension remedy on default. Procedures must be implemented to discourage prolonging the URS process through selective default and ultimately provide some security of finality for default judgments. The domain name should be immediately suspended on default with the possibility of being returned to the original IP address if after examination the complaint is found to be insufficient to warrant the requested relief. Once a domain name is suspended it should remain suspended even if the registrant files a late answer until a final decision on re-examination (rather than automatically resolving to the original IP address once the late answer is filed). *INTA Internet Committee (1 April 2010)*.

Other. ICANN should strike the phrase “or any other proceedings” in the final sentence of Section 12 which would recognize that in the case of a court proceeding ICANN has no power to determine whether and what weight the findings of any URS may be accorded by such a court if a domain name dispute is before it. *ICA (1 April 2010)*.

Analysis and Proposed Positions

One commenter suggests that trademark owners are unfairly prejudiced by the URS. At the outset it should be noted that since the URS is a new RPM it is difficult to see how the addition of an RPM prejudices a trademark holder. Moreover, the trademark holder is free to pursue whatever recourse wherever it deems appropriate, including the commencement of a UDRP proceeding or a legal action against the registrant.

In terms of the overall remedy, commenters state a variety of things, such as: (i) the URS is the only post launch remedy at the second level; (ii) the URS will not ameliorate the burden of defensive registration because the remedy does not include transfer; (iii) suspension and redirection may be damaging to the trademark holder; (iv) a successful complainant should be given a right of first refusal to register a domain name when it comes up for renewal; and (v) transfer should be the only remedy.

The appropriate remedy for URS proceedings was considered at length by the IRT, the STI and through the public comment. The URS is designed to remedy the most clear-cut cases of infringement and the remedy of suspension, given the rapid nature of the proceeding, reflects that intent. Trademark holders are still free to obtain transfer of a domain name through a UDRP proceeding. In that vein, because the procedures and remedies are intended to be different, at this time, suspension will remain the remedy as opposed to transfer, which can be obtained through the UDRP.

Others suggest that a longer suspension period with the complainant paying for further suspension would be useful. Still others recommend a stronger remedy for a URS including a perpetual suspension of the domain name in question. In this regard, Section 10 does allow a successful complainant to extend the registration period for one year, but not forever.

Some believe that an interim remedy should be available since there will be a period of time when the offending site remains visible. That the site could remain visible was understood to be a possibility when the remedies for the URS were addressed. On balance, given the rapid nature of the proceedings and the number of cases anticipated, this short period of time that the site may still be available does not necessitate an interim remedy.

In terms of the domain name resolving, some indicate that if an answer is filed after default the domain name should not automatically resolve to the original IP address. The rationale for automatically resolving is based upon the expressed concern that an answer after default should not be treated any differently than an answer filed before default. As such, the same status quo would have to be preserved which includes allowing the domain to resolve but the domain name should also be locked.

Many comments touch on the manner and method of locking the domain name. At present it is the registry that locks the domain name. If a registry fails to lock a domain name then the complainant should be able to seek redress, although that is not currently contemplated in the URS proposal. Registries are required to follow URS decisions by their agreement with ICANN. If they do not lock the name, the registry will be in breach of their agreement and subject to compliance action.

Comments indicate that the holding page to which the locked or suspended domain name routes should not include any advertisement nor be used for any purpose. We agree. As drafted Section 10 of the URS provides that the URS provider will not be allowed to offer any other services on that page nor can it be used for advertising.

Comments suggest that the trademark holder should have to decide between a URS or a UDRP. The remedies between the two are different and so are the burdens of proof. As such, trademark holders are free to choose and should not have to elect. The

availability of both solutions will inform decisions on the creation of or improvements to future RPMs.

One commenter has asked how the registries will offset the costs of maintaining a suspended registry. It will be up to each registry to determine how to cover these costs. The IRT and STI made these recommendations, each had active gTLD registry and registrar participation. The STI, in particular, recommended the one-year extension be made available, there was no discussion for the need to cover costs. While we are not experts, it is assumed that registry operation includes a relatively high percentage of fixed costs so that registries can cover the costs of suspended registrations without significant increase of fees to others.

It has been suggested that section 12 [Other available remedies] be modified to delete the phrase “or any other proceeding”. However, the limited preclusive effect of the URS was an intentional part of the RPM. Deleting that phrase could impact that effect. Courts remain free to decide the weight, if any, to give to evidence before the URS.

Comments below do not related to the URS.

Public comment--process concerns. ICANN should reassess and restructure its public comment process to enable it to adequately consult the public as required by the Affirmation of Commitments. The high volume and short timing of matters put out for public comment has significantly curtailed the public's ability to provide meaningful evaluation and input on issues under consideration. *INTA Internet Committee (1 April 2010).*

RESPONDENTS

Adobe Systems Incorporated (Adobe)
British Broadcasting Corporation (BBC)
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Demand Media
Dot Org, The Public Interest Registry (PIR)
ECTA/MARQUES
GoDaddy.com Inc. (Go Daddy)
W.W. Grainger (Grainger)
Intellectual Property Constituency (IPC)
Intercontinental Hotels Group, PLC (IHG)
International Anti-Counterfeiting Coalition (IACC)
International Business Machines (IBM)
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