

Dear Cheryl,

Here are my comments for circulation to your ALAC:

The Commercial Business Users Constituency has been and remains concerned about the inadequacy of Rights Protection Mechanisms with respect to the New gTLDs Program. The recent development of the Board Letter to the GNSO and the Staff Proposals for 3 RPMs (URSS, IP Clearing house and Post Delegation). The BC had made a statement supporting the IRT report as going in the right direction although many in the BC thought it may have not gone far enough and some may have had reservations. However, the Staff versions of the RPMs are seen as being nowhere near adequacy. In fact in my personal interactions with many who may have had divergent views regarding the IRT solutions, there seems agreement that the Staff proposals are probably even more tenable. It seems from the Board letter that the Staff recommendations are the default and if the GNSO cannot achieve consensus the staff proposals may be what the Board is left with to implement.

I am hoping that possibly the GNSO may be able to achieve some common ground and ward off such a result. I am therefore attempting to see if the ALAC would be willing to informally discuss possibly reaching common ground so we can together and possibly with other in the GNSO hopefully build a consensus on the issues.

In this regard here very briefly are some thoughts we may consider in terms of the Rights Protection issues in new gTLDs (beyond just the Board letter to the GNSO):

The IRT suggested 5 Solutions:

1. Reserved List (GPML)
2. Central IP Database (IP Clearinghouse)
3. Rapid Suspension (URSS)
4. Rights holders right to take a Registry through a Dispute Resolution after the gTLD is launched (Post Delegation Dispute Resolution Procedure PDDRP)
5. Thick Whois – this was included in the DAG3

However, the outcome from Staff in the DAG3 (<http://www.icann.org/en/topics/new-gtlds/dag-en.htm>) and those mentioned in the Staff Rights Protection Mechanism Proposals (<http://www.icann.org/en/public-comment/#prpm-new-gtlds> only URS & IP Clearing house-difficult to find on the website and not connected to the DAG3's website) DO NOT REFLECT the IRT Recommendations.

One RPM ie the Post Delegation Dispute Resolution Policy difficult to find from the main page is available on <http://icann.org/en/topics/new-gtlds/comments-3-en.htm#files> up for public comments. This I believe is an important RPM and seems to have had less exposure to public discussion and possibly will therefore attract little public comment. I would suggest that we highlight this RPM as well (not being distracted simply by IP Clearing house and URSS) and also comment on this RPM.

So of the 5 solutions the GNSO letter only puts forward 2:

GPML seems to not have moved much forward and dropped without completing the research that ICANN Staff had promised – (irrespective of whether this was an acceptable solution or not the decision should have followed after such a study had been made public). Thus, the problem of DEFENSIVE REGISTRATIONS still remains UNADDRESSED in the DAG3 and the Staff Proposed Rights Protection Mechanisms.

Post Delegation has not been sent to the GNSO in the Board letter. Instead the staff version has been put up for public comments at <http://icann.org/en/topics/new-gtlds/comments-3-en.htm#files> (I believe this version does not provide adequate remedies with respect to Rights holders and even communities)

Here's a comparison:

<u>From IRT Recommendation:</u>	<u>From Staff Proposal up for Comments:</u>
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Standard for Asserting a Claim – 3

types:

(a) The Registry Operator’s manner

of operation or use of a TLD is

inconsistent with the representations made in the TLD

application as approved by

ICANN and incorporated into the

applicable Registry Agreement

and such operation or use of the

TLD is likely to cause confusion

with the complainant’s mark; or

(b) The Registry Operator is in

breach of the specific rights

protection mechanisms

enumerated in such Registry

Operator’s Agreement and such

breach is likely to cause

confusion with complainant’s

mark; or

For a Registry Operator to be liable for top level

infringement, a complainant must assert

and **prove by clear and convincing evidence**

that the Registry Operator’s **affirmative**

conduct in its operation or use of its gTLD, that is identical or confusingly similar to the

complainant’s mark, causes or materially

contributes to the gTLD: (a) taking unfair

advantage of the distinctive character or the

reputation of the complainant’s mark, or (b)

unjustifiably impairing the distinctive character

or the reputation of the complainant’s mark, or

(c) creating an impermissible likelihood of

confusion with the complainant’s mark.

For a Registry Operator to be liable for the

conduct at the second level, the complainant

must assert and prove by clear and convincing

evidence:

<p>(c) The Registry Operator manner of operation or use of the TLD exhibits a bad faith intent to profit from the systemic registration of domain name registrations therein, which are identical or confusingly similar to the complainant's mark, meeting any of the following conditions: (i) taking unfair advantage of the distinctive character or the reputation of the complainant's mark, or (ii) unjustifiably impairing the distinctive character or the reputation of the complainant's mark, or (iii) creating an impermissible likelihood of confusion with Complainant's mark.</p>	<p>(a) that there is substantial ongoing pattern or practice of specific bad faith intent by the registry operator to profit from the sale of trademark infringing domain names; and</p> <p>(b) of the registry operator's bad faith intent to profit from the systematic registration of domain names within the gTLD, that are identical or confusingly similar to the complainant's mark, which: (i) takes unfair advantage of the distinctive character or the reputation of the complainant's mark, or (ii) unjustifiably impairs the distinctive character or the reputation of the complainant's mark, or (iii) creates an impermissible likelihood of confusion with the complainant's mark. <u>In this regard, it would not be nearly enough to show that the registry operator was on notice of possible of trademark infringement through registrations in the gTLD.</u></p>
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So basically if a Rights holders or a community (if that is allowed) doesn't object at the application stage possibly taking comfort from the representations in the Application and the Registry Agreement they have no recourse subsequently to assert and challenge under this Proposal, in case there is a breach of those representations or the Registry Agreement in the application.

The use of the words 'affirmative conduct' in the Staff proposal to my mind imply that TM owners can only trigger Post Delegation if there is clear and convincing proof that the Registry Operator actually and positively acted in a manner as described. However, this leaves open omission and recklessness or turning a 'blind eye' to systemic abuse on the gTLD. Moreover, if there is a change in the nature of use of the gTLD in breach of the representations made in the new gTLD application or the Registry Agreement (which the IRT had recommendation had addressed), the TM Owner / aggrieved party cannot trigger a Post Delegation Dispute Resolution. So there seems no protection awarded to TM Owners and even communities (if this is allowed) in case any of this happens once the gTLD has been delegated. Staff's response to this issue has been – 'Registry Agreement is a bilateral contract and ICANN would enforce it' – basically we should trust ICANN to enforce the Registry Agreements.

In regards the URS:

ICANN staff has changed the Rapid Suspension from MANDATORY to BEST PRACTICE

Also delinked URSS from the Clearing House. Staff admits that "The Guidebook proposal does not mention a pre-registration process utilizing the Clearinghouse"

And since the Board was advised that this seems more like Policy the Board has sent a letter to the GNSO to either:

a) approve the staff model (details of which can be found here <http://www.icann.org/en/topics/new-gtlds/gnso-consultations-reports-en.htm>), which is an assimilation of the IRT work and Board concerns), or

b) propose an alternative that is equivalent or more effective and implementable.

A six weeks window has been allowed.

This basically means that if GNSO cannot reach consensus then Staff Model is likely to go through.

It would help to see if we can reach common ground on the URSS being a fair, due process, quick, cost effective and balanced process and also see if we can reach common ground as to which cases will it apply. The intent, I believe, was that it apply to egregious or clear cut cases of cyber squatting and related malicious abuse (I paraphrase). So if we can agree through maybe a list of illustrations or some other means what that means to all sides then we would have been able to move forward together.

Sorry for the rushed note. I hope to be able also provide more insight on the IP Clearing house some time later – just pressed for time so sending this out to you asap.

I would welcome the possibility to informally meet with ALAC reps to see if we can find common ground. It is vital that we reject the Staff Model as it stands at the moment.

Sincerely,

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