

Slipping through the Net: is ICANN whitewashing brand owners' gTLD fears?

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Cybersquatting
Internet issues

International - Adam Smith

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The breathless expansion of the Internet has left trademark owners overwhelmed for some time. But the advent of unlimited generic top-level domains (gTLDs) presents the most significant challenge to date. Members of the trademark community watched closely last week for the publication of the third [Draft Applicant Guidebook \(DAG 3\)](#), which was expected to outline how the [Internet Corporation for Assigned Names and Numbers \(ICANN\)](#) would ensure trademark protection mechanisms in the new domain space.

However, ICANN once again took everyone by surprise.

Instead of incorporating rights protection measures into the DAG 3, ICANN reframed the two least contentious suggestions, [published](#) them once again for public comment and sent them for consideration to the gTLD policy-making group, the Generic Names Supporting Organization (GNSO). The [Implementation Recommendation Team \(IRT\)](#), the expert panel that formulated the proposals in May, was not impressed. A number of IRT members contacted by *WTR* said they felt that re-opening the proposals to public comment and potential modification by the GNSO undermined their work (see "[Trademark owners undermined by latest gTLD step](#)"). "ICANN never had any intention of listening to the IRT and trademark owners," said Mette Andersen, corporate counsel at [Lego Group](#) and member of the IRT.

Responding to this criticism, ICANN said the IRT was "not misled" (see "[ICANN chief responds to trademark concerns over new gTLDs](#)"). In an interview with *WTR*, Doug Brent, ICANN's chief operating officer, insisted that IRT members and trademark owners "understood that recommendations would be reviewed by the board and not necessarily adopted wholesale". Nevertheless, the intensity of mark owners' criticism will build, something that Brent welcomes. "The IRT work," he told *WTR*, "will be at the centre of ongoing discussions over new gTLDs."

Indeed, ICANN is engineering those 'ongoing discussions' by publishing the two proposals it can at least contemplate. The first major rights protection mechanism on the agenda is the Uniform Rapid Suspension System (URS), under which domain registries would freeze a blatantly infringing domain registration at the request of a rights holder. In its final report, the IRT stated: "The URS is not meant to address questionable cases of alleged infringement (eg, use of terms in their generic sense) or for anti-competitive purposes or denial of free speech, but rather for those cases in which there is no genuine contestable issue as to the infringement and abuse that is taking place... [the IRT] recommends that all new gTLD registries be required, pursuant to their contracts with ICANN, to take part in a URS."

However, before forwarding this to the GNSO, ICANN has diluted the recommendation. In the document marked for the consideration of the GNSO, ICANN stated: "Adoption of the URS is recommended as a best practice for new gTLD registry operators. This means that it is believed to add value to a TLD and to the namespace generally; however, it is not a

contractual requirement." This astonished IRT members. [Caroline Chicoine](#), head of the IRT and a partner at Fredrikson & Byron, described the move as "extremely disappointing". [Ellen Shankman](#) of Ellen B Shankman & Associates, told *WTR* that the URS should be mandatory, in accordance with the IRT's recommendations. "The good actors don't need it and the bad actors aren't going to volunteer for it," she said. Brent assured *WTR* that "the matter is not settled", adding vaguely: "The power of a best practice in the new TLD application may well be more than it first appears. There may be some direct value to the applicant in adopting best practices."

This remains to be seen. Meanwhile, brand owners are calling for ICANN to establish a 'loser pays' solution under the URS. In the present draft URS, fees will be paid by the mark owner. Although ICANN estimates they will cost only \$300 per decision, it is likely that mark owners will be opposed on principle to this fee structure. The draft URS policy is open for public consultation but has not yet received any comment.

The other measure open for discussion is the Trademark Clearinghouse (formerly 'IP Clearinghouse'), a database in which brand owners could register their trademarks, receiving notification if a third party attempted to register the mark as a gTLD (the third party would also be notified of existing rights). Additionally, mark owners would benefit from a sunrise period in which they would have the exclusive opportunity to register a gTLD matching their mark. The costs of running the clearinghouse would fall on the rights holder *and* the registry. "The Trademark Clearinghouse is a mechanism which should be of benefit to brand owners and gTLD registrars and registries alike," said [David Taylor](#), partner at Lovells and IRT member. "I am confident that the GNSO will rally behind it."

However, there is no guarantee that either the clearinghouse or the URS will survive the ongoing debate. The GNSO is a diverse [group](#) of stakeholders: it has an IP Constituency but also senior registry and registrar figures who may well be opposed on principle to restrictions on their operations. "Consensus may be difficult to obtain," acknowledges [Kristina Rosette](#), who represents ICANN's IP Constituency on the GNSO. "It's going to be ugly."

ICANN has given the GNSO the opportunity either to adopt these rights protection measures or suggest "alternative solution[s]", albeit without providing guidance on how to manage that discussion process. Clarification may materialize when the ICANN board distributes its planned letter to GNSO council members (see "[ICANN board letter may spark fresh gTLD controversy](#)"). In the meantime, mark owners have to cope with the unsettling notion that the GNSO could reject the proposals outright. "If the URS and Trademark Clearinghouse do not make it through the GNSO," notes Chicoine, "trademark owners will essentially be left with the status quo." With market speculation that there may be hundreds or thousands of new gTLDs, this would be very unfavourable indeed. It seems the only action left to mark owners is to register concerns with ICANN. As of October 13 2009, no brand owner had submitted a comment.

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