

Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

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UPDATE ON TRADEMARK-RELATED ASPECTS OF THE EXPANSION OF THE DOMAIN NAME SYSTEM

Document prepared by the Secretariat

1. At the twenty-fifth session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), the Summary by the Chair, document SCT/25/6 at paragraph 18, noted that the Chair concluded that the Secretariat was requested to prepare a document for the twenty-sixth session of the SCT that would provide an update on developments in the context of the expansion of the Domain Name System (DNS) planned by the Internet Corporation for Assigned Names and Numbers (ICANN). The requested update is set out below¹.

2. Two policy developments in relation to ICANN will in particular present not only opportunities but also serious legal and practical challenges for intellectual property rights owners and users. One of these is the exponential introduction, now expected for the course of 2012, of potentially hundreds of further new generic Top Level Domains (gTLDs). Such new gTLDs may be of an “open” nature (similar to .com), or may take on more specific or restrictive characteristics, for example taking the form of .[city], .[community], .[brand], .[language], [culture], or [industry]. A second development of importance concerns the introduction of Internationalized Domain Names (IDNs) at the top level. In terms of DNS policy, furthermore, a source of concern is a potential ICANN, largely registration-driven, effort to revise the Uniform Domain Name Dispute Resolution Policy (UDRP). Also, ICANN’s planned expansion of the DNS raises rights protection questions in connection with the Second WIPO Internet Domain Name Process.

A. NEW GENERIC TOP-LEVEL DOMAINS

3. At its Meeting in Singapore in June 20, 2011, ICANN's Board voted to approve implementation of its New gTLD Program². Information about the adopted application process and conditions for new gTLDs has been published in ICANN's "Applicant Guidebook", which has gone through a series of drafts over the past few years³. Per current ICANN timelines, ICANN expects to receive applications for new gTLDs (including IDNs; see discussion in paragraphs 18 and 19 herein) for processing as of January 2012, with approved new gTLDs possibly becoming operational later that year still, followed, where applicable, by registrations of individual domain names⁴.

4. By way of background on ICANN's New gTLD Program, the Generic Names Supporting Organization (GNSO) in September 2007 issued a set of recommendations (approved by ICANN's Board in June 2008) to implement a process that allows for the introduction of further new gTLDs. These GNSO recommendations include the following recommendation, of particular relevance for trademark owners: "Recommendation 3: Strings must not infringe the existing legal rights of others that are recognized or enforceable under generally accepted and internationally recognized principles of law. Examples of these legal rights that are internationally recognized include, but are not limited to, rights defined in the Paris Convention for the Protection of [Industrial] Property (in particular trademark rights), the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR) (in particular freedom of expression rights)".

5. On its part, ICANN's Governmental Advisory Committee (GAC) issued in 2007 the "GAC Principles regarding New gTLDs," which state inter alia: "2.3 The process for introducing new gTLDs must make proper allowance for prior third party rights, in particular trademark rights as well as rights in the names and acronyms of inter-governmental organizations (IGOs)"⁵.

6. Subsequent discussions of ICANN's New gTLD Program, and within that, trademark Rights Protection Mechanisms (RPMs), have been contentious and are seen as having been subject to special commercial interests. In its role, the WIPO Arbitration and Mediation Center (Center) has been monitoring the development of the various RPMs resulting from these ICANN discussions⁶. For example, the Center provided targeted input to the Implementation Recommendation Team (IRT), a group of DNS stakeholders which the ICANN Board convened in March 2009 to develop and propose solutions to the issue of trademark protection in new gTLDs. This ICANN initiative followed the expression of serious misgivings by intellectual property stakeholders about the level of protection then foreseen in ICANN's Applicant Guidebook. ICANN submitted the subsequent recommendations of the IRT to a series of further committee and ad hoc processes, which are widely seen to have diluted the intended effectiveness of the RPMs, both in operational and in substantive terms⁷.

7. Based on its DNS experience, in particular in the design and implementation of trademark-based RPMs, the Center's contributions to ICANN have focused on enhancing the overall workability of such mechanisms – for all stakeholders⁸. Such contributions take account of the fact that, as has been observed, the current design of ICANN's new gTLD RPMs substantially reflects the input of ICANN's own contracting parties, namely registries and registrars. By missing a contractual opportunity for a forward-looking approach to the functional integration of existing norms, such narrow focus risks a disservice to the DNS itself. The Center remains committed to working with stakeholders to attempt to safeguard the observance of general principles of intellectual property protection in any new gTLDs ultimately approved by ICANN. Set out below is a broad description of the RPMs adapted and adopted by ICANN, in relation to the top level and the second level respectively.

Top Level Rights Protection Mechanisms

– *Pre-(TLD) Delegation Dispute Resolution Procedure*

8. The Center has replied to ICANN's December 2007 request for "Expressions of Interest from Potential Dispute Resolution Service Providers for New gTLD Program" in relation to a number of RPMs, including a pre-delegation procedure for "Legal Rights Objections" (other objection grounds recognized by ICANN are: "String Confusion Objections", "Community Objections," and "Limited Public Interest Objections"⁹). The substantive criteria for this Legal Rights Objections procedure are rooted in the "WIPO Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet"¹⁰ (Joint Recommendation) adopted by the WIPO General Assembly in September 2001. In addition to the adoption of these criteria, the Center has also assisted ICANN in its development of procedural rules for Legal Rights Objections as integrated in ICANN's Applicant Guidebook¹¹. The pre-delegation proposal has met with broad support, and the Center will exclusively administer such disputes¹². While, consistent with the Joint Recommendation, the prime focus of pre-delegation Legal Rights Objections concerns trademarks, following a Center letter on the subject, beginning with publication of its November 2010 Applicant Guidebook ICANN also foresees processes for IGOs to file objections to an applied-for gTLD which they believe may impinge on their rights (see paragraphs 21 to 25 herein). The Center expects to work with ICANN towards the implementation of the pre-delegation procedure in the further course of 2011.

– *Post-(TLD) Delegation Dispute Resolution Procedure*

9. From early 2008, the Center has discussed with ICANN the potential usefulness of a permanent administrative option, additional to the pre-delegation procedure described in the preceding paragraph, that would allow for the filing of a complaint with respect to an approved new gTLD registry operator whose manner of operation or use of its registry is alleged to cause or materially contribute to trademark abuse. In early 2009, the Center communicated to ICANN a concrete substantive proposal for such a trademark-based post-delegation dispute resolution procedure addressing such potential gTLD registry behavior¹³. This proposal was intended as a form of standardized assistance to ICANN's own compliance oversight responsibilities, provide an administrative alternative to court litigation, encourage responsible conduct by relevant actors including through the provision of safe harbors for good-faith registry operators, thereby enhancing the security and stability of the DNS; ICANN's contractual framework offers an opportunity for a public-private partnership designed to reduce burdens associated with anticipated levels of infringement and realistic enforcement options.

10. Following various ICANN committee processes and consultations with registry operators, the effectiveness of the Post-Delegation Dispute Resolution Procedure (PDDRP) as adopted by ICANN remains uncertain, in particular given the addition of overlapping procedural layers and issues concerning the intended substantive scope of this mechanism.

11. However this may be, given the perceived convergence of registry, registrar, and registrant roles within the DNS, the Center has further recommended, inter alia taking account of its UDRP-based experiences, that ICANN consider extending the PDDRP for registries also to registrar conduct¹⁴. A relevant consideration here is that ICANN now anticipates allowing cross-ownership by registries of registrars¹⁵.

Second Level Rights Protection Mechanisms

– *Trademark Clearinghouse*

12. ICANN's New gTLD Program includes a "Trademark Clearinghouse" as a centralized repository of authenticated trademark data which could be invoked as the basis for filing under new gTLD RPMs. The adoption of this concept involved extensive ICANN discussions in particular of the relation to trademark office determinations; other issues include fee apportionment, any envisaged process for Clearinghouse removal of marks, and treatment of non-Latin script and word+design marks. The Center has commented that any such Clearinghouse should not unfairly burden rights holders in the treatment of trademark registrations legitimately obtained through examination and registration systems as applied in many global jurisdictions, and that, if and where appropriate, practical measures may be envisaged to identify any allegedly inappropriate invocation of rights in specific contexts.

13. ICANN's current formulation of the Clearinghouse would purport to allow for inclusion of all nationally or regionally registered word marks, any word marks protected by statute or treaty or validated by court, and "[o]ther marks that constitute intellectual property" (the latter being undefined). With respect to RPMs utilizing Clearinghouse data, ICANN currently proposes to limit the availability of "Sunrise" services (i.e., an opportunity for a trademark owner, for a fee, to preemptively register an exact match of its mark as a domain name) to those trademarks for which current use can be demonstrated. On the other hand, owners of trademarks not substantiated by demonstration of current use would still be eligible to participate in a time-limited 60-day "Claims" service (i.e., notice to a potential domain name registrant of the existence of a potentially conflicting trademark right). Both Sunrise and Claims services are presently limited to exact matches of a word mark to a domain name. It is anticipated that such limitations may give rise to gaming, with attendant financial and enforcement burdens for trademark owners and increased potential for consumer confusion. The demonstration of use required for Sunrise services similarly applies to the invocation of trademarks as a basis for a complaint filed under the "Uniform Rapid Suspension" RPM described in the following paragraphs.

– *Uniform Rapid Suspension System*

14. While the UDRP is to remain an important curative tool for disputes involving the considered transfer of a disputed domain name to the trademark owner, the Center has advocated the introduction of a lighter second-level RPM for appropriate cases. To this end, the Center in April 2009 communicated to ICANN a discussion draft of an Expedited (Domain Name) Suspension Mechanism¹⁶. Such draft took account of the need to strike a reasonable balance between the protection of trademark rights recognized by law, the practical interests of good-faith registration authorities to minimize operational burdens, and the legitimate expectations of *bona fide* domain name registrants.

15. ICANN's New gTLD Program now includes such a UDRP-complementary mechanism. However, as evolved from a sequence of ICANN processes and committees, this Uniform Rapid Suspension (URS) system is viewed to have become an overburdened procedure. For the URS to function as an efficient and enforceable complement to the UDRP, many issues remain to be addressed¹⁷.

B. CALLS MADE FOR REVIEW OF THE WIPO-INITIATED UDRP

16. Accommodating the dynamic development of the DNS, the UDRP has been offering an effective alternative to court litigation for trademark owners, domain name registrants, and registration authorities. Nevertheless, efforts appear underway at ICANN which risk destabilizing this well-respected enforcement tool. In May 2011, at the behest of ICANN's GNSO, ICANN convened a webinar with a broad representation of stakeholders to solicit views on the UDRP¹⁸. Reflecting the sentiment of a clear majority of participants that more harm than good could result from such ICANN review, and that, with exponential DNS growth around the corner and untested new RPMs being introduced, this in any event is not the right time for any such exercise, ICANN Staff in a Preliminary Issues Report recommended to the GNSO "that a [process] on the UDRP not be initiated at this time". That sentiment was again in evidence among a clear majority of participants in a further ICANN-convened expert panel session at its June 2011 Singapore Meeting in which WIPO took part. Subject to consideration in its discretion by ICANN's GNSO, the fate of ICANN Staff's recommendation remains uncertain.

17. The UDRP functions today as the remarkable result of care invested by many stakeholders over more than 10 years, for public and private benefit. By accommodating evolving norms and practices, the UDRP has proven to be a flexible and fair dispute resolution system. Given ICANN's institutional structure, where intellectual property holds a mere minority vote, it appears likely that such a review process would end up burdening and diluting the UDRP. Any destabilization of the UDRP would not only further weaken the protection of trademarks in the DNS, but might also cause rights holders to consider addressing cybersquatting by pursuing registrants and registration authorities in court, as was the practice prior to the availability of the UDRP. The Center actively follows ICANN's intentions with regard to the UDRP.

C. INTERNATIONALIZED DOMAIN NAMES (IDNs)

18. As noted in paragraph 2¹⁹, another significant policy development in the DNS is the introduction of IDNs (non-Latin script) at the top level. Such introduction connects with ICANN's New gTLD Program where potential new gTLD applications are expected to be made for IDNs.

19. Separately, ICANN's Final Implementation Plan for IDN country code Top-Level Domain (ccTLD) Fast Track Process was published on November 16, 2009²⁰. Since then, this has allowed for the introduction of several IDN ccTLDs, associated with the two-letter codes in the ISO 3166-1 standard²¹. As of June 2011, ICANN has received a total of 33 requests for IDN ccTLD(s) representing 22 languages²². Approved requests continue to be delegated into the DNS root zone.

D. OTHER IDENTIFIERS

20. In addition to and in connection with the above, there are further developments taking place at ICANN in relation to the protection of non-trademark identifiers.

21. It is recalled that the First WIPO Internet Domain Name Process addressed the relationship between domain names and trademarks. The Second WIPO Internet Domain Name Process concerned the relationship between domain names and five other types of identifiers that had not been addressed, namely, International Nonproprietary Names for pharmaceutical substances (INNs), the names and acronyms of IGOs, personal names, geographical identifiers, including country names, and trade names.

22. At its meeting from September 23 to October 1, 2002, the WIPO General Assembly recommended amending the UDRP in order to provide protection for country names and for the names and acronyms of IGOs²³. The WIPO Secretariat transmitted these recommendations (WIPO-2 Recommendations) to ICANN in February 2003²⁴.

23. Following further WIPO communications, in a letter of March 2006²⁵, the then President and CEO of ICANN informed the Secretariat that it had not been possible to achieve a consensus among the various constituencies of ICANN. However, while expressing doubts about the options for moving forward with the WIPO-2 Recommendations as a whole, the letter indicated that progress might be possible with regard to the protection of names and acronyms of IGOs for which an established basis exists in international law.

24. In June 2007, ICANN Staff produced an Issues Report on Dispute Handling for IGO Names and Abbreviations²⁶, recommending not to initiate a process on the issue of the protection of IGO names and acronyms, but rather, to consider a dispute resolution policy covering such identifiers in any new gTLDs. In June 2007, the GNSO requested ICANN Staff to provide a report on a draft IGO Domain Name Dispute Resolution Procedure, primarily foreseen for new gTLDs. Such Report was produced by ICANN Staff in September 2007²⁷, but has not been adopted by the GNSO.

25. In the context of its now adopted New gTLD Program, ICANN appears to have limited its consideration of the protection of the names and acronyms of IGOs to providing potential recourse through pre-delegation objection procedures concerning the top level (i.e., an applied-for TLD), discussed in paragraph 8 above²⁸. ICANN consideration of such identifiers at the second level remains outstanding.

26. Concerning geographical terms, ICANN's GAC, in particular, has expressed concerns about their protection in the new gTLDs. In 2007 it issued the "GAC Principles regarding New gTLDs²⁹", which states *inter alia*: "2.2 ICANN should avoid [in the introduction of new gTLDs] country, territory or place names, and country, territory or regional language or people descriptions, unless in agreement with the relevant governments or public authorities. [...] 2.7 Applicant registries for new gTLDs should pledge to: (a) Adopt, before the new gTLD is introduced, appropriate procedures for blocking, at no cost and upon demand of governments, public authorities or IGOs, names with national or geographic significance at the second level of any new gTLD. (b) Ensure procedures to allow governments, public authorities or IGOs to challenge abuses of names with national or geographic significance at the second level of any new gTLD".

27. The GAC submitted, upon the ICANN Board's request, letters in April, May, and August 2009 to ICANN recommending *inter alia*, specific measures to protect geographic names in new gTLDs, including reserving names. The GAC in its March 2010 Nairobi *Communiqué*³⁰ had called for a mechanism to address derivation from conditions of approval, and also inclusion of commonly used abbreviations or regions not listed in ISO 3166-2.

28. Concerning the top level, ICANN's Applicant Guidebook foresees that "applications for strings that are country or territory names will not be approved, as they are not available under the New gTLD Program in this application round³¹". Applied-for strings which are considered by ICANN to be certain other geographic names, e.g., capital city names, would need to be accompanied by documentation of support or non-objection from the relevant governments or public authorities³². Concerning second level registrations, ICANN's base registry agreement includes a "Schedule of Reserved Names at the Second Level in gTLD Registries" which makes provision for certain country and territory names³³.

29. Overall, the Center has endeavored to apprise relevant sectors within the Secretariat on the above-mentioned matters, including in support of the work of the SCT³⁴. The agenda of the twenty-sixth session of the SCT includes an update on developments in the context of the expansion of the DNS planned by ICANN. The Center's consultation within the Secretariat also includes the substantive basis for the RPMs discussed in the present document. This notably includes the appropriate scope of the pre-and post-delegation dispute resolution mechanisms discussed in paragraphs 8 to 11, against the backdrop of broader developments in relation to Internet intermediaries.

30. The Secretariat will continue to monitor these developments and provide input where possible.

31. *The SCT is invited to take note of the contents of this document.*

[End of document]

1 This update forms part of document WO/GA/40/9.
2 See <http://www.icann.org/en/minutes/resolutions-20jun11-en.htm>. For further background including
3 references, see document WO/GA/39/10, in particular paragraph 14.
4 May 2011 Applicant Guidebook available at <http://www.icann.org/en/topics/new-gtlds/comments-7-en.htm>.
(Previous drafts of ICANN's Applicant Guidebook were published respectively in October 2008:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-24oct08-en.pdf>; February 2009:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-18feb09-en.pdf>; October 2009:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-redline-04oct09-en.pdf>; May 2010:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-28may10-en.pdf>; November 2010:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-clean-12nov10-en.pdf>; and April 2011:
<http://www.icann.org/en/topics/new-gtlds/draft-rfp-redline-15apr11-en.pdf>.)
5 See <http://www.icann.org/en/minutes/timeline-new-gtld-program-20jun11.pdf>.
6 See http://gac.icann.org/web/home/gTLD_principles.pdf.
7 See <http://www.wipo.int/amc/en/domains/newgtld/>.
8 For further background including references, see document WO/GA/39/10, in particular paragraphs 23 to 30.
9 It is noted here that ICANN summarily rejected an IRT proposal for a "Globally Protected Marks List".
10 A full record of the Center's communications with ICANN in this regard are available at
11 <http://www.wipo.int/amc/en/domains/resources/icann/>.
12 The Applicant Guidebook further foresees a number of other procedures which governments may avail
13 themselves of following ICANN announcement of new gTLD applications. Notably, section 1.1.2.4 provides for
14 "GAC Early Warning", and section 1.1.2.7 provides for "Receipt of GAC Advice on New gTLDs" for the ICANN
15 Board's consideration.
16 See http://www.wipo.int/about-ip/en/development_iplaw/pub845-toc.htm.
17 See section 3.2 of the Applicant Guidebook.
18 See WIPO Rules for New gTLD Dispute Resolution, and Schedule of Fees and Costs, respectively at
19 <http://www.icann.org/en/topics/new-gtlds/draft-wipo-rules-clean-30may11-en.pdf>, and
20 <http://www.icann.org/en/topics/new-gtlds/draft-wipo-fees-clean-30may11-en.pdf>.
21 See <http://www.wipo.int/amc/en/docs/icann130309.pdf>.
See, *inter alia*, <http://www.wipo.int/amc/en/docs/icann260310rap.pdf>.
See <http://www.icann.org/en/minutes/resolutions-05nov10-en.htm>.
See <http://www.wipo.int/amc/en/docs/icann030409.pdf>.
An extensive inventory of these issues is provided inter alia in the Center's letter of December 2, 2010,
available at <http://www.wipo.int/amc/en/docs/icann021210.pdf>.
See <https://community.icann.org/display/gnsoudrpd/ Webinar+on+the+Current+State+of+the+UDRP>.
This webinar followed publication in February 2010 of an ICANN-convened working group Initial Report on
which the Center submitted public comments in March 2010; see generally document WO/GA/39/10,
paragraph 31.
See also document WO/GA/40/9, footnote 17.
See <http://www.icann.org/en/topics/idn/fast-track/idn-cctld-implementation-plan-16nov09-en.pdf>.
See http://www.iso.org/iso/english_country_names_and_code_elements.

[Endnote continued from previous page]

- 22 See <http://www.icann.org/en/topics/idn/fast-track/>.
- 23 See http://www.wipo.int/edocs/mdocs/govbody/en/wo_ga_28/wo_ga_28_3.pdf; see also documents SCT/9/8, paragraphs 6 to 11; and, SCT/9/9, paragraph 149.
- 24 See <http://www.wipo.int/amc/en/docs/wipo.doc>.
- 25 A similar letter was sent to the then Chairman of the GAC. It is posted on ICANN's web site at <http://www.icann.org/correspondence/twomey-to-tarmizi-13mar06.pdf>.
- 26 GNSO Issues Report on Dispute Handling for IGO Names and Abbreviations is posted on ICANN's web site at <http://gnso.icann.org/issues/igo-names/issues-report-igo-drp-15jun07.pdf>.
- 27 See <http://gnso.icann.org/drafts/gnso-igo-drp-report-v2-28sep07.pdf>.
- 28 As to the Red Cross and the International Olympic Committee (IOC), the Board of ICANN at its Meeting in Singapore recognized the need for "incorporation of text concerning protection for specific requested Red Cross and IOC names for the top level only during the initial application round, until the GNSO and GAC develop policy advice based on the global public interest". See footnote 2, *supra*.
- 29 See http://gac.icann.org/web/home/gTLD_principles.pdf.
- 30 See <http://nbo.icann.org/meetings/nairobi2010/presentation-gac-soac-reports-12mar10-en.pdf>.
- 31 See <http://www.icann.org/en/topics/new-gtlds/rfp-redline-30may11-en.pdf>, from section 2.2.1.4.1 "Treatment of Country or Territory Names".
- 32 See <http://www.icann.org/en/topics/new-gtlds/rfp-redline-30may11-en.pdf>, from section 2.2.1.4.2 "Geographic Names Requiring Government Support". For objections by governments more generally, see footnote 9, *supra*.
- 33 See <http://www.icann.org/en/topics/new-gtlds/agreement-specs-redline-30may11-en.pdf>, at Specification 5.
- 34 See e.g., documents SCT/24/4 and SCT 25/3 available at http://www.wipo.int/edocs/mdocs/sct/en/sct_24/sct_24_4.pdf and http://www.wipo.int/edocs/mdocs/sct/en/sct_25/sct_25_3.pdf respectively.