

TRADEMARK POST DELEGATION DISPUTE RESOLUTION PROCEDURE (PDDRP) (15 Feb.-1 April 2010)

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

KEY POINTS:

- ICANN is committed to pursuing its contractual compliance activities and enforcement for all of its contracted parties. This Trademark PDDRP is meant to enhance such activities, to the extent applicable, and provide ICANN with independent judgment in disputes between two parties as required.
- A Threshold Review will be undertaken after each complaint has undergone an administrative review and before the matter can proceed on the merits.
- Merely having infringing names in a registry, or having knowledge that such names exist in the registry, is not enough to hold a registry liable under the Trademark PDDRP. There must be affirmative conduct on the part of the registry.

SUMMARY OF COMMENTS

General Process Comments

Expand PDDRP to registrars. The PDDRP must be one of the most robust trademark protection mechanisms instituted to ensure registry operator accountability and combat systemic cyber squatting. The PDDRP should be expanded to reach abusive conduct perpetrated by all ICANN contracted parties, including registrars. *IOC (1 April 2010)*. If there is common ownership and vertical integration between registrars and registries in the new gTLD round, the PDDRP should be expanded to include not only the registry but also any affiliated registrar. *M. Palage (30 Mar. 2010)*. *IPC (1 April. 2010)*. WIPO has also previously called for expanding the PDDRP to also include all ICANN-accredited registrars. *M. Palage (1 April 2010)*.

Support. Lovells supports the PDDRP but as it has been revised there is a danger that its potency has been diluted. *Lovells (30 Mar. 2010)*. *ECTA/MARQUES (1 April 2010)*. *IPC (1 April 2010)*. The PDDRP concept is sound and it has sensible burden of proof standards. *R. Tindal (1 April 2010)*. While having the specialized PDDRP is useful, CADNA also emphasizes the importance of an additional mechanism for trademark owners to pursue individual infringements. Ideally there should be a policy to prevent gTLD operators from allowing trademark-infringing domains to be registered in the first place. *CADNA (1 April 2010)*.

Level of use of PDDRP. Effectiveness of the PDDRP may in the future be measured more by its nonuse than actual use. *Lovells (30 Mar. 2010)*. *INTA Internet Committee (1 April 2010)*. The PDDRP should be a mechanism of last resort for trademark owners.

ECTA/MARQUES (1 April 2010). Legitimate PDDRP actions should be rare as infringing registries would be placing their entire business at risk. *R. Tindal (1 April 2010)*.

Opposition. The PDDRP fails to take into account important factors like the direction it pushes registries towards, the implications this will have upon the creation of a highly trademark-oriented registration environment and how unsafe and fragile this procedure is. *K. Komaitis (1 April 2010)*.

Imbalanced in favor of trademark holders. The justification for the PDDRP is very weak, and it raises complex legal issues such as privity of contract that jeopardize registrant and user rights. The system is imbalanced in favor of trademark interests, provides room for trademark abuse and should be anticipated to open the floodgates to litigation and lawsuits and to create instability in the registration process. It will significantly harm non-commercial rights of registrants and raises concern that it will lead to a more controlled registration environment by the trademark community and create an atmosphere of fear in the registration process with severe impact on the relationship between and among registries, registrars, registrants and ICANN. *NCUC (2 April 2010)*. At Large is concerned about what the PDDRP could do to very small community-based registries who will not have the resources to defend themselves if the procedure does not have enough safeguards in it. *A. Greenberg, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 33 (8 Mar. 2010)*.

ICANN's role in Contractual Compliance.

ICANN must have increased involvement in policing registry agreements rather than passing on the onus to trademark owners. *IOC (1 April 2010)*. The need for an external provider to adjudicate is questionable in cases involving straightforward compliance issues—e.g., a violation of the terms of the Registry Agreement by the registry operator involving the top level where a string is identical to a trademark and then contrary to declared intentions not to infringe the mark holder's rights, the registry operator holds itself out as the beneficiary of the mark. This type of dispute should go straight to ICANN (in contrast to the second level disputes where the Registry is merely contributing to infringement). *NAF (31 Mar. 2010)*.

It is not readily apparent whether ICANN's possibly removing itself from any PDDRP role could fundamentally alter its own contractual oversight responsibility. WIPO supports the possibility for trademark owners to initiate proceedings in the event ICANN could not timely and conclusively resolve the dispute under its own direct contractual relationship. Notwithstanding the possible need for swift resolution in particular cases, "slowing the process" should not be the metric of compliance efforts. *WIPO Center (26 Mar. 2010)*.

It is important to ensure that ICANN's responsibility to enforce contract compliance is not adversely affected by the PDDRP. If ICANN has removed itself from the role the IRT intended it to have in the PDDRP, then ICANN should have a clear form available on its website for compliance issues in connection with Registry Operators. *Lovells (30 Mar. 2010)*. *INTA Internet Committee (1 April 2010)*.

ICANN should invest further in its Contract Compliance department to ensure that it can take preventative action under the contract that exists between a registry operator and ICANN to forestall the need for a PDDRP. *ECTA/MARQUES (1 April 2010)*.

ICANN must be more involved in the PDDRP at the outset, with an affirmative commitment to do contractual compliance prior to a third party initiating a complaint under the PDDRP and with ramifications for ICANN's failure to enforce agreements. *RySG (1 April 2010)*. *J. Nevett (1 April 2010)*. *Time Warner (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 22 (8 Mar. 2010)*. Removing ICANN from the initial part of the PDDRP process is not positive; the IRT recommended process should be reinstated, which set up the PDDRP as a last resort mechanism for the trademark owner. *IPC (1 April. 2010)*.

PDDRP and RRDRP. The PDDRP and RRDRP should be combined. *NAF (31 Mar. 2010)*. ICANN should consider whether the PDDRP and RRDRP should be combined. *INTA Internet Committee (1 April 2010)*.

Analysis and Proposed Position

Thanks to all of those who have commented on the PDDRP both through this public forum process as well as in other fora. Since the Nairobi meeting ICANN has held an open public participation process to discuss potential revisions to the Trademark PDDRP. The consultation has included a face-to-face meeting, two telephonic conferences and a robust exchange of ideas and suggestions via email. With suggestions from a variety of community representatives, this public participation process has been extremely productive. The results can be seen in the significant revisions to the current version of the Trademark PDDRP. Although a great majority of suggestions have been adopted, albeit some in slightly revised form, not all suggested revisions have or could have been included in that some were directly at odds with each other or not implementable.

ICANN thanks all who have been instrumental in helping this public participation process work.

In terms of comments found in the public comment forum on the Trademark PDDRP, the first set of comments relate to the overall process. Some commenters agree with the PDDRP concept, but think its application should expand beyond the registries to the registrars. While expansion to the registrars is something to consider in the future (say, as part of a registrar accreditation agreement amendment), as drafted, the PDDRP standards apply only to registries as the new gTLD process is only creating a registry agreement. As such, if the procedure is expanded it will take some additional considerations, which will not be done at this time.

Many suggest that, as written, the PDDRP will not be used very much and its effectiveness will be judged by its non-use. If this is the result, it may be an indicator of success. One implication of non-use is that the trademark holders have one more effective deterrent in place to protect their marks.

Like most procedures developed, there are comments generally in support and comments generally in opposition to the PDDRP. Some think it goes too far to protect the trademark holders and will harm non-commercial use by registrants. Some think it does not go far enough. On balance, however, if it is not overreaching, there seems to be general support of the Trademark PDDRP.

One major topic of discussion is that no one thinks ICANN should delegate its contractual compliance role to an independent dispute resolution process. ICANN wholeheartedly agrees. ICANN is committed to pursuing its contractual compliance activities and enforcement for all of its contracted parties. This Trademark PDDRP is meant to enhance such activities, to the extent applicable, and provide ICANN with independent judgment in disputes between two parties as required.

Quick Look

CADNA supports the proposed “quick look” review of all complaints in order to screen for frivolous complaints. *CADNA (1 April 2010)*. There should be a quick look prior to when registries must respond to a complaint if ICANN is not involved, and the quick look must be more robust. At the very least the trademark owner must allege with specificity that one or more of its own legitimate trademarks have in fact been materially impacted by a registry operator’s affirmative conduct. The notion of “confirmation of complainant as a trademark holder” needs much more definition. If the action could not have been brought in court because there would be no personal or subject matter jurisdiction, the action should not be allowed to be brought through the PDDRP. To allow otherwise would create legal rights that would not otherwise exist and would contradict the sentence in the explanatory note that says that that the PDDRP “simply provides a limited avenue in which to pursue rights that already exist.” *RySG (1 April 2010)*.

To meet the quick look threshold, the complainant must include a copy of a trademark registration certificate, a copy of the online status report of the relevant national trademark office record for the registered trademark, or other evidence sufficient to demonstrate the Complainant’s ownership of rights in the registered trademark. Correlating the procedure with the Trademark Clearinghouse would streamline the process and keep costs down. The complainant should have an opportunity to amend its complaint to cure a deficiency that is found. *INTA Internet Committee (1 April 2010)*.

It is assumed that only registered marks are comprehended and that evidence of registered marks is included in submission of the complaint. Is this “quick look” done before, during, or after the formal compliance check (noted on page 5)? *NAF (31 Mar. 2010)*.

There needs to be more substantive review of a claimant’s rights to a mark. Currently the language is very broad and sets a low threshold for claim validity. *R. Tindal (1 April 2010)*.

Safeguards against claimant abuse. The current proposal should be adjusted to address the possible overzealous use of the PDDRP by brand holders or parties seeking to unreasonably force financial settlement from registries. Claimants should fund all up-front costs; the current requirement that registries pay 50% of up-front costs will motivate claims whose only goal is some form of settlement from registries. *R. Tindal (1 April 2010)*. *RySG (1 April 2010)*. *J. Nevett (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 23 (8 Mar. 2010)*.

Abusive conduct by a trademark owner. A substantial definition of what constitutes abusive conduct by a trademark owner should be provided. *A. Van Couvering, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 28 (8 Mar. 2010)*.

Analysis and Proposed Position

In light of comments received from the first draft of the PDDRP, ICANN included a “quick look” process whereby the complainant had to prove that he/she was a trademark holder before proceeding on the merits. The registry operators did not think that the “quick look” was sufficient to mitigate the possibility of frivolous complaints being filed.

Accordingly, after several public consultations an enhanced process, or the “Threshold Review” has been established. A Threshold Review will be undertaken after each complaint has undergone an administrative review and before the matter can proceed on the merits.

Rather than repeat here everything that the Threshold Review covers, please see section 9 of the revised Trademark PDDRP that was posted along with the other revised Trademark Protection mechanism proposals. In general, it now includes requirements for specific assertions relating to the standards that must be satisfied, the harm that the complainant has suffered and attempts at informal resolution. This expanded Threshold Review, which shall be presided over by a single provider-selected panelist, shall take place before the registry operators are required to incur any fees or submit a response on the merits.

Standards

Willful Blindness/Affirmative Conduct.

The scope of the current mechanism limits its functionality. Limiting the substantive criteria to “affirmative conduct” undermines the PDDRP’s effectiveness. *WIPO Center (26 Mar. 2010). IPC (1 April 2010).* The current proposal does little to engage registries on infringing behavior within their domains while at the same time reducing registry exposure. Pending resolution of this core issue of scope, WIPO does not believe it opportune to discuss more detailed procedural elements. *WIPO Center (26 Mar. 2010).*

In seeking to give meaning to intent, the criteria should also encompass instances of willful blindness. ICANN stakeholders should give serious thought to the “consideration factors” provided in the WIPO proposal to assess this: (i) whether the registry operator intentionally induced, knowingly permitted, or could not have reasonably been unaware of domain name registrations in the TLD that meet [the substantive criteria]; (ii) whether the registry operator specified and effectively implemented processes and procedures for launch of the TLD and initial registration-related and ongoing protection of third parties’ mark rights (RPMs) to reasonably avoid the conduct described in [the substantive criteria]; (iii) whether the registry operator’s manner of operation or use of the TLD is consistent with the representations made in the TLD application as approved by ICANN or the terms of the new gTLD agreement. *WIPO Center (26 Mar. 2010).*

“Affirmative conduct” should be expanded to include a registry operator’s willful blindness to systemic cyber squatting. *IOC (1 April 2010).* To assess willful blindness, we commend the list of consideration factors set forth by WIPO in its March 26 letter. *ECTA/MARQUES (1 April 2010). IPC (1 April 2010).*

“Affirmative conduct” should be defined to include “encouraging, allowing or willfully ignoring systemic registration of infringing domain names.” *INTA Internet Committee (1 April 2010).* The bad faith criteria need to be expanded to cover all manners of detrimental conduct (e.g., “passive” conduct) in order not to limit the scope and effectiveness of the PDDRP. *Adobe (1 April 2010).*

NCTA strongly opposes this requirement absent clarification as to the types of evidence that will support the required showing. *NCTA (1 April 2010).*

The PDDRP should also be used where a Registry Operator acts irresponsibly, and irresponsible conduct may not be “affirmative conduct”. The standard should be “conduct” and ICANN should set forth a non-exhaustive list of the type of conduct. *Lovells (30 Mar. 2010). IPC (1 April 2010).*

Bad Faith.

The proposed PDDRP requirement of a complainant establishing a pattern of bad faith registration of multiple domain names in relation to the same trademark will exclude many cases of systemic registration of infringing domain names targeting different trademarks. The scope should include the possibility for a complainant to succeed if it establishes a pattern of bad faith by a registry operator or related party in relation to domain names infringing several marks. *Lovells (30 Mar. 2010). IPC (1 April 2010).* This potential gap in the standard in part (b) should be remedied by replacing the phrase “the complainant’s mark” with the phrase “one or more marks, including the complainant’s mark” in part (b) and its subparts (i), (ii) and (iii). This change would allow the

substantive requirements of part (b) to apply to a pattern of domain name registrations infringing multiple, non-repeating marks. *INTA Internet Committee (1 April 2010)*.

Pattern of bad faith intent by a registry. The PDDRP should provide a more detailed description of what constitutes a pattern of bad faith intent on the part of a registry (i.e., define a clear threshold at which the registration of infringing domains will be considered systematic). *CADNA (1 April 2010)*.

Bad faith showing by complainant. NCTA strongly opposes the bad faith showing (bad faith pattern or practice and bad faith intent to profit) required of complainants because it goes beyond requiring the complainant to show some specific harm, but rather requires proof that the gTLD registrar has a pattern of registering domain names that specifically infringe one of the complainant's marks. As a result, despite the degree of abusive conduct, there would be no basis for a PDDRP complaint against a gTLD operator where no one trademark owner has one mark that is specifically affected by abusive registrations. As to registrations that infringe the rights of numerous trademark owners, NCTA agrees with WIPO's proposal that the PDDRP allow for some form of joinder or class status for aggrieved trademark owners. *NCTA (1 April 2010)*. *WIPO (26 Mar. 2010)*.

Burden of Proof. This is the same burden of proof in the proposed RRDRP. "Clear and convincing" is an overly heavy burden on complainants, and if used the PDDRP would fail to capture many examples of systemic registration of infringing domain names or use of a gTLD for an improper purpose. *Lovells (30 Mar. 2010)*. *IACC (31 Mar. 2010)*. *IPC (1 April. 2010)*. *INTA Internet Committee (1 April 2010)*. *Adobe (2 April 2010)*. For lesser remedies short of termination of the registry agreement, these should be able to be ordered on behalf of a complainant who proves abuse by a preponderance of the evidence. *Time Warner (1 April 2010)*. The combination of the "clear and convincing" standard with proof of the "bad faith intent" requirement for infringement at the second level (page 4) is a nearly insurmountable burden of proof. The bad faith requirement at the second level should be eliminated. *IBM (1 April 2010)*.

Safe harbors for registries. As in the UDRP, examples of affirmative defenses for registries should be given. Even WIPO supports having safe harbors. It is unclear what would constitute a pattern of bad faith, making it that much more important to have safe harbors. *RySG (1 April 2010)*. *J. Nevett (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 23 (8 Mar. 2010)*.

Analysis and Proposed Position

In terms of the standards, there has been much discussion and comment on whether registries should be found liable under the PDDRP for willful blindness to malicious conduct, i.e., the fact that there are infringing names in its registry. Some suggest that if the registries are on notice of the fact that infringing names are in the registry, but they take no action, the registries should be found liable under the Trademark PDDRP.

Those on the other side of the argument note that the registries should only be liable under the Trademark PDDRP for actions they may otherwise be liable for in a court of law. In other words, affirmative conduct by the registry that leads to trademark infringement. As set out in the last version of the procedure, as well as in the current

version of the Trademark PDDRP proposal, willful blindness is not and properly should not be included as part of the standard under which the registries will be reviewed. The portion of the PDDRP that can hold a registry liable for infringement at the second level is a large step in providing trademark protections. It must be done carefully. Registries do not have a direct interface to customers, that happens at the registrar level. Registries maintain the database. In any large registry there will be a relatively large number of "infringers," the registry may be aware of some of them but will also be unaware of others. To hold registries accountable for all instances of infringement would have unknown effects on the ability of the registry to conduct business. A standard to hold them liable for that cannot be implemented understanding all of the effects, including the interplay and renegotiation of agreements between and among, registries, registrars, and ICANN. In the meantime, it is reasonable to hold registries accountable for affirmative conduct with regard to second-level names. That is what this standard does; it hasn't been done up to now; it is a substantial step.

It is important to note that if a trademark holder's rights are being infringed, there are also certain mechanisms already in place, such as the UDRP or judicial proceedings, in which they can seek redress from the direct source of infringement. With the new gTLD Program, the avenues to take against a registrant have expanded from the UDRP and the courts, and now include the Uniform Rapid Suspension System (URS). Thus the standard in the Trademark PDDRP does not eliminate their ability to still seek recourse against offending registrants.

Some believe that the bad faith requirement calling for the systematic registration of domains names within a registry is too limiting because a complainant could not go after the registry for infringement of a single or a few trademarks. While that may be the case, that in fact is the intent. If there is just one or a few infringing names in a registry (or even many), the complaint can use other mechanisms available to it, the UDRP and soon to be the URS, as well as the judicial system. The PDDRP was developed to prevent systematic abuse and thus the standards are purposely written to do just that. The suggestion of allowing joinder is certainly something that can be considered and should be part of any discussion with the PDDRP provider(s); however, that will not eliminate the need for proof of a pattern and practice along with systematic registrations of one trademark holder's names.

While some challenge the clear and convincing burden of proof, given the nature of action and its consequences (possible termination), it is important that there be a high burden to overcome.

Affirmative defenses are important to identify in any process, especially given the nature of the action against registries and not registrants of the purportedly infringing names. It is made clear in the proposal that just having allegedly infringing names in a registry, or having knowledge of those names, is not sufficient to hold a registry liable. Thus registry has a rebuttable presumption that they are not liable unless the trademark holder can show that the registry operator affirmative took action to assist, encourage or directly participate in the infringement.

Fees and Costs

Uncertainty. ICANN should determine with a sufficient degree of precision what the costs of a PDDRP will be prior to finalizing the Applicant Guidebook. *Lovells (30 Mar. 2010)*. *IPC (1 April. 2010)*.

Fee Cap. To provide predictability and to discourage the provider from imposing high fees in order to discourage the filing of complaints, the rules should impose a cap on costs estimated by the provider and articulate specific standards for such costs. *INTA Internet Committee (1 April 2010)*. The filing fee for the PDDRP should be capped by ICANN and the Provider estimated administrative fees and Panel fees should be limited to operational costs of the provided services. *IBM (1 April 2010)*.

Registry should pay 50% up front. IACC supports the PDDRP provisions, including the requirement that a registry operator pay 50% of the estimated fees related to the PDDRP upon a finding that the Complainant is a trademark holder. IACC strongly supports awarding fees to the prevailing party. *IACC (31 Mar. 2010)*. The initial costs estimate should be borne equally by the parties from the outset, with each simply paying 50% up-front, or each paying 50% up front plus the other 50% in a bond. *INTA Internet Committee (1 April 2010)*.

Most Fees after “Quick Look”. Aside from the filing fee, no costs should be assessed until after the “quick look” examination. If at that time the proceeding is allowed to advance, the costs estimate would be provided and the complainant could opt-out of the proceeding. *INTA Internet Committee (1 April 2010)*.

Analysis and Proposed Position

There were a few comments about the fees for the Trademark PDDRP. Some say fees should be certain and capped by ICANN and the provider. While certainty is beneficial, it is not possible now to establish fees for a dispute resolution service provider. The fees will include filing fees, provider administrative fees and panel fees. In terms of the amount of fees, it will be up to the provider to determine and possibly could vary on a case-by-case basis if the provider has an hourly fee structure for its panelist. This is something that will be fleshed out in greater detail once provider(s) have been identified.

Many have engaged in significant debate as to whether registries must pay any fees before the conclusion of a PDDRP proceeding. The initial proposal called for both parties to pay the full estimated amount up front, with prevailing party being reimbursed at the conclusion of the proceeding. In response to significant comment, it is now proposed that the registry pay a filing fee, (refunded if the registry is the prevailing party). This manner of fee payment is effective, it protects registries from paying repeated fees, while requiring them to pay when they lose. The payment is fairly certain even though it is “after-the-fact” because the registry agreement specifies that failure to pay the fees, if a complainant is deemed the prevailing party, shall be a breach of the registry agreement and subject to all remedies under the contract, up to an including termination.

Procedures

Same set of rules for all PDDRP providers. CADNA questions whether it is wise for different PDDRP providers to operate under different rules; this could prove detrimental. Equality across providers will make the entire PDDRP process fairer. *CADNA (1 April 2010).*

Assistance from PDDRP. ICANN should also have the option of soliciting assistance from a PDDRP panel at its discretion or of initiating a PDDRP of its own without the need for a trademark owner complaint. *Lovells (30 Mar. 2010). IPC (1 April. 2010).*

Three-member panel.

The PDDRP provider should appoint a three-member panel by default given the importance of the potential finding to the business of the Registry Operator. *Lovells (30 Mar. 2010). R. Tindal (1 April 2010). J. Nevett (1 April 2010). IPC (1 April. 2010). INTA Internet Committee (1 April 2010).* Registries should be allowed to make their case before a panel of 3-5 panelists as both the rights of the registry and all their registrants are now on the line. Registries must be allowed to appoint half the panelists and together with the complainant choose the forum. *NCUC (2 April 2010).* A three-member panel is appropriate. *R. Tindal (1 April 2010)*

Why must the parties agree on three panelists? Who pays for it? Why not allow the party opting for three panelists to pay for the increased panel size? *NAF (31 Mar. 2010).*

Discovery and hearings.

Discovery and hearing features should not be the norm; they will increase costs and should only be used at the discretion of the Panel in exceptional circumstances. *Lovells (30 Mar. 2010).* There should be clear and predictable guidelines and a maximum cost identified about the powers to order up expert witnesses at the expense of the parties or require that an in-person hearing be held, even if no party asks for it. *Time Warner (1 April 2010). INTA Internet Committee (1 April 2010).*

What if one or more parties wish to conduct discovery prior to panel appointment, or if the complainant wants some discovery prior to submission of the complaint? The wording of the discovery section bullet 1 does not really allow discovery to happen. Since the Panel has the sole discretion to authorize discovery, perhaps bullet 3 of the Discovery section should be worded to authorize the Provider to act on behalf of the panel. *NAF (31 Mar. 2010).*

A hearing is essential so that evidence can be presented, especially if ICANN is seriously considering allowing a panelist to recommend monetary sanctions, which RySG believes should be removed. *RySG (1 April 2010).*

Default.

The default section seems unnecessary. The point that all cases proceed to a Determination on the merits negates any effect of a Provider finding of "default". *NAF (31 Mar. 2010).*

The provision that a finding of default can only be set aside for good cause is fair and NCTA supports it. *NCTA (1 April 2010).*

What happens if the registry refuses to participate? *NAF (31 Mar. 2010)*.

NCTA opposes requiring default cases to be decided on the merits—it will stretch out the process unnecessarily and is not warranted since registries are sophisticated businesses that can easily avoid this result by filing a response. *NCTA (1 April 2010)*.

Challenge by registries.

Registries should be able to challenge panel decisions and remedies under the dispute resolution mechanisms in the registry—ICANN contract. This places the ultimate burden of contract enforcement where it should reside—between parties to the contract. *R. Tindal (1 April 2010)*.

The PDDRP must not replace contractual dispute resolution mechanisms. Regardless of Panel determinations, registries must be able to challenge both the panel decisions and the remedies enforced by ICANN under the dispute resolution mechanism in the contracts on a *de novo* basis. This must be made clear in the PDDRP and the Registry Agreements. *RySG (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 22 (8 Mar. 2010)*.

Timing issues.

Parties and the provider need to know if deadlines will fall on a weekend or if calendar days are merely used for counting purposes but not deadlines. *NAF (31 Mar. 2010)*. Some specific adjustments noted in the INTA Internet Committee comments should be made to clarify and improve the operation of the communication and time limits set forth in the proposed PDDRP. *INTA Internet Committee (1 April 2010)*.

It is reasonable that Panel decisions be made within 45 days, absent good cause, with 60 days as the maximum allowable time. *NCTA (1 April 2010)*.

There should be a deficiency period for complaints as provided in the UDRP to allow a complainant to remedy the defects of its case. *NAF (31 Mar. 2010)*.

The PDDRP must allow registries adequate time to respond to a complaint—20 days is not enough. *NCUC (2 April 2010)*.

Word limits. ICANN should impose the same word limits on both complaints and responses in the context of the PDDRP. *Lovells (30 Mar. 2010)*.

Translations to English.

At what point does the Panel determine that submissions need not be translated? *NAF (31 Mar. 2010)*.

The English language requirements of the PDDRP seem prohibitive and to violate the spirit of equal access and inclusiveness to bar trademark owners from being able to participate in their native languages. *CADNA (1 April 2010)*.

Content of complaints—good faith. ICANN staff should base language for the statement that the proceedings are not being brought for any improper purpose in the UDRP-provided language which includes a statement of good faith and an indemnification of the Provider and Panel and which NAF has found to be very effective. *NAF (31 Mar. 2010)*.

Reply. The subject matter of the reply to a respondent should not be limited as proposed, but rather should have no restrictions. *INTA Internet Committee (1 April 2010)*.

Analysis and Proposed Position

There are several comments about many different specific aspects of the procedures for the Trademark PDDRP. First it should be noted that while the overall procedures have been developed, there will be additional procedural details that will be developed once the provider(s) are engaged and full implementation is completed. All providers will be required to utilize these overall procedures, but each shall be entitled to establish supplemental procedures, as applicable, as with the UDRP providers. Of course, those supplemental rules shall not be inconsistent with the general overall procedures.

The major topics of discussion have been the number of panelists, and whether discovery and hearings are available. In accordance with comment, the Trademark PDDRP has been revised and the current proposal now allows for either party to choose a three member Panel and request a hearing. While these options were not part of the original proposal, the potential implications for the registries, including possible termination of the registry agreement, warrant revision on these topics. Whether to conduct discovery remains under the discretion of the Panel.

Some have commented on the default option and think it is unnecessary. Others agree with the standards for relief from default, but some believe default cases need not proceed to the merits. No substantive revisions have been made to this aspect of the procedure. The potential penalties in default cases are significant and should not be imposed without the review by a knowledgeable panelist.

The registries have requested that they be able to challenge both the Expert Panel Determination, as well as the ICANN imposed remedies through the dispute resolution provision of the registry agreement. However, use of that provision seems inappropriate: only ICANN and the registries are party to the agreement, and nothing shall be deemed as providing any third party beneficiary rights. Therefore, the complaining side of the controversy could not appeal using that mechanism. In order to provide the review sought by the registries, an appeal provision has now been included in the Trademark PDDRP for either party to seek de novo review of the Panel's Determination within the process.

Some have commented on word limits and time limits. Word limits have now been included where they were not. And, it should be clear that time limits might land on weekends or holidays. The procedure is meant to operate on a global scale and thus trying to address weekends and holidays around the globe could be difficult and lead to missed deadlines that need not occur. Accordingly, the time limits are based on calendar days, regardless of weekends or holidays, particularly since communication with the providers shall be electronic.

It was suggested that proceedings should be available in languages other than English. This could add considerable costs and time. Instead, it was decided to maintain the UDRP standard – all writing must be in English.

Finally, with respect to the contents of the complaint, several revisions have been made in that regard in response to comment that are intended to address any questions that have been raised.

Remedies

Recommendation to ICANN. A further limitation, which WIPO still supports at this stage, is that any PDDRP remedy would take the form of a recommendation to ICANN. ICANN may wish to clarify that termination of the registry agreement should not be viewed as the standard result. *WIPO Center (26 Mar. 2010)*. ICANN must be more involved in determining the remedies applicable to registries for violations of the PDDRP. *RySG (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 22 (8 Mar. 2010)*.

ICANN's discretion re: Remedies. Regarding ICANN approval or amendment of PDDRP decisions, NCTA opposes this proposal; this second tier of review only benefits the registry operator and there are no standards on how ICANN reviews the remedies or on its timing. *NCTA (1 April 2010)*. A standard that ICANN will follow the panel's recommendation on remedies except in extraordinary circumstances should apply in order to circumscribe as narrowly as possible ICANN's ability to undermine the outcome. *Time Warner (1 April 2010)*. The decision of the panel, which should be three members, should be considered final. If ICANN is concerned about the quality of the panelists, a non-outcome determinative random audit procedure would be helpful. Earlier provisions allowing for appeal to a court, thus shifting the burden to the losing party and eliminating a step in the review process, are far more preferable. *INTA Internet Committee (1 April 2010)*.

Monetary Sanctions. Any monetary sanctions should not exceed the costs of the procedure itself (subject to strict safeguards, possibly including legal fees). Damages would not be appropriate in the PDDRP. To whom are monetary sanctions paid and what are the parameters? *NAF (31 Mar. 2010)*. The ability of the Panel to award monetary damages lacks due process must be removed. *RySG (1 April 2010)*. *J. Nevett (1 April 2010)*. *J. Neuman, ICANN Nairobi, Trademark Protection in New gTLDs, Transcript at 23 (8 Mar. 2010)*.

Deletion or suspension of names. Since the expert will be able to recognize that there are infringing domain names it should recommend that infringing registrations be deleted. The Panel should also be authorized to delete the domain name where the registrant is also the registry or otherwise connected with the registry. *Lovells (30 Mar. 2010)*. *IPC (1 April. 2010)*. *Time Warner (1 April 2010)*. *INTA Internet Committee (1 April 2010)*. Further remedies should be considered such as suspension of infringing domain names or publication of the PDDRP decision on the website to which the respective domain names point. *Lovells (30 Mar. 2010)*.

Remedial measures. Regarding bullet 2 in the Remedies section, where will the finite universe of options come from? ICANN should specify the remedial measures that may be taken by a panelist. Will the ultimate list be limited or open to the Panel's imagination? *NAF (31 Mar. 2010)*.

Termination. What are examples of extraordinary circumstances for which termination of a registry agreement is an appropriate response? *NAF (31 Mar. 2010)*.

PDDRP provision should be in Registry Agreement. The draft Registry Agreement should include provisions acknowledging the PDDRP and mirroring its provisions. ICANN should also have the option of soliciting assistance from a PDDRP panel at its

discretion or of initiating a PDDRP of its own without the need for a trademark owner complaint. *Lovells (30 Mar. 2010). IPC (1 April. 2010).]]]*

No Fees or Penalties. Two sanctions a panel can award if it determines a complaint was filed without merit—imposition of the registry operator’s costs and attorney fees, and imposition of “penalty fees”—should be eliminated because they violate fundamental fairness and suggest a prejudgment that parties claiming to have trademark rights are going to abuse the system. The panel has no authority to impose parallel sanctions on the registry operator if it files a frivolous response or commits egregious violations of trademark rights. Remaining sanctions of temporary and then permanent bans from filing Complaints would suffice to deter abuse of the dispute procedure by complainants. *INTA Internet Committee (1 April 2010).*

Timing. Is there a time period within which ICANN must conduct its review of recommended remedies? How will the Provider/Panel know an appropriate date for the remedies to take effect if it doesn’t yet know if the Panel will endorse the remedy recommended? E.g., if the Panel says the remedy is take effect 20 days from the Determination, what if ICANN doesn’t review the Determination until 30 days after the Determination? *NAF (31 Mar. 2010).*

Analysis and Proposed Position

Many have noted, and ICANN has agreed in various public comment fora, that the remedy in an Expert Determination shall be a recommendation to ICANN. Of course, others have opposed such discretion by ICANN. On balance, the proposal calls for ICANN to make the ultimate decision, based on the circumstances of a particular matter, what remedies to impose and enforce against a registry. This includes whether ICANN would terminate a registry agreement. ICANN has the contractual relationship with the registries and is responsible for such actions. This will be provided for in the registry agreement.

Since the last draft of the proposal many have commented that monetary sanctions are not appropriate. ICANN agrees with these comments and has omitted this as remedy that the Expert Panel can recommend to ICANN.

Many feel that suspension or deletions of infringing names in a registry should be a recommended remedy. As ICANN and others have previously noted, since the registrant is not a party to the proceeding, such a remedy is not appropriate. A complainant has other avenues to seek redress from offending registrants, such as the UDRP or the soon to be URS. The Trademark PDDRP is meant to hold the registry accountable for its actions, not registrants.

While remedial measures may be recommended as a remedy, determining a finite list of such remedies, as some suggest, would be difficult. People identify new ways to protect trademark holders over time and nothing should prohibit a new, innovative method to be included as a remedial measure, when appropriate.

With respect to timing of remedies, that decision will depend on the circumstances of each case. To set a time limitation could prevent ICANN from taking the necessary time to understand the circumstances and determine the appropriate remedy. That said it will

be the goal to impose remedies as soon as possible after an Expert Determination in a Trademark PDDRP matter has been issued.

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