

Emily C. & John E. Hansen Intellectual Property Institute

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INTERNATIONAL INTELLECTUAL PROPERTY
LAW & POLICY**

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150 West 62nd Street
New York, New York
Friday, April 26, 2019 – 7:30 a.m.*

**SUNRISE SEMINAR III:
*ICANN: Rights Protection Mechanisms***

Moderator:

Gerald M. Levine

Levine Samuel LLP, New York

***Evidentiary Demands in the UDRP Process Begin with
the Complaint and Response***

Speakers:

Gregory S. Shatan

Moses & Singer LLP, New York

***The Squared Circle: Fitting Trademark Law Principles into
ICANN's Rights Protection Mechanisms***

Mary W. S. Wong

Internet Corporation for Assigned Names and Numbers (ICANN), Los Angeles

Reviewing Trademark Rights Protection Mechanisms at ICANN:

What have we achieved since this time last year?

Panelists:

Claudio DiGangi

IP-Consult, Inc., New York

Kristin G. Garris

Scarinci Hollenbeck, New York

Gareth Dickson

Taylor Vinters, Cambridge

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MR. LEVINE: Once again, good morning, everyone. My name is Gerald Levine, and I'll be moderating the panel.

We are going to be talking about the Internet Corporation for Assigned Names and Numbers (ICANN) and rights protection mechanisms (RPMs). The purpose of two of these RPMs is to provide arbitral forums to combat cybersquatting, and the other RPMs are

intended to protect trademark owners from abusive registrants when new top-level domains (gTLDs) are first made available to the public.

ICANN implemented the first of these RPMs, the Uniform Domain Name Dispute Resolution Policy (UDRP), just a few months shy of twenty years ago. It implemented three other RPMs in 2012, which was done coincident with ICANN's approval or delegation of approximately 1800 new gTLDs, about 1200 of which I think have already come to market.

Greg Shatan will give us an overview of the RPMs. Greg is a member of the law firm of Moses & Singer and is actively involved in the ICANN Working Group¹ that is slowly considering whether these RPMs are doing what they were intended to do and, whether they are or not, should they be amended or massaged in some way.

Mary Wong will fill us in on what the Working Group is doing. Mary is a Vice-President of ICANN and the ICANN coordinating face in the Working Group.

Claudio DiGangi, who is with the Intellectual Property Constituency, will tell us exactly what that Constituency does when he gets his chance to comment on Greg's and Mary's talks. Claudio is also actively involved with the ICANN Working Group.

Kristin Garriss is from the Scarinci Hollenbeck law firm. She and Claudio bring the trademark owner's perspective to the panel.

Our last panelist is Gareth Dickson from Cambridge, England. He is a member of the law firm of Taylor Vinters.

Gareth, do you also represent trademark owners?

MR. DICKSON: That has happened, yes.

MR. LEVINE: So, we have an imbalance in the panel to the extent that we are all trademark lawyers, but some of us represent trademark owners and some represent investors. I think I may be the only who represents investors.

MS. WONG: I don't represent anyone.

MR. DICKSON: Public interest.

MR. LEVINE: Just for some perspective on ICANN, it was incorporated in 1998, and by way of the World Intellectual Property Organization (WIPO) it implemented the UDRP in the fall of 1999.

One should keep in mind that the UDRP is not a trademark court. In fact, it is a nonexclusive forum. Trademark owners have a choice of proceeding under the UDRP or taking their case to a court of competent jurisdiction, which in the United States and for U.S. trademark holders would be in the district court under the Anticybersquatting Consumer Protection Act (ACPA).² If trademark owners choose the UDRP, they have certain evidentiary demands, which I am going to address in my talk.

What I want to bring to your attention is that these UDRP panelists — and, as I say, Gareth is a panelist for the WIPO³, and I expect him to comment on this — have the astonishing power to order domain-name registrations either canceled or transferred to complaining trademark owners.

Even more astonishing is that UDRP decisions are enforced without successful trademark owners having to go to court to confirm the awards. We may call this a “man-

¹ ICANN's supporting organizations have different working groups tasked to address or resolve different issues. Membership of the ICANN working groups are open to individuals within the ICANN community who are willing to volunteer their expertise on certain issues. *See Working Group*, ICANNWIKI, https://icannwiki.org/Working_Group#:~:text=ICANN%20Working%20Groups,their%20expertise%20on%20certain%20issues (last visited June 30, 2020).

² Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (1999).

³ World Intellectual Property Organization.

datory injunction.” Although it is not called a mandatory injunction within UDRP, in effect that is precisely what it is, and it can be obtained by the complainant within about forty-five days from filing the complaint. No court in the United States or anywhere else will issue a mandatory injunction so swiftly.

The first UDRP complaint was filed in October 1999.⁴ Since then, there have been over 60,000 reasoned decisions involving approximately 100,000 domain names. In any given year, around 10 percent of the complaints are dismissed for one of several deficiencies. All the decisions are publicly available, which is unusual in the arbitration environment, and this has led to the emergence of a jurisprudence of domain names.

With that, we’ll get started. Greg is the first speaker.

MR. SHATAN: Thank you, Gerald, for the kind introduction.

I am going to propose a theory of how to look at the RPMs. The challenge that was given right from the beginning said: “It has become apparent to all that a considerable amount of tension has unwittingly been created between, on the one hand, addresses on the Internet in a human-friendly form which carry the power of connotation and identification and, on the other hand, the recognized rights of identification in the real world ...”⁵

We have domain names that mean something being injected into a world where we have for hundreds of years had trademarks that also mean something.

If we had all been able to memorize a lot of numbers, none of us would be here. But that didn’t happen. So, we have the real world and the ICANN world, and the question from the beginning was how to square the circle. In the real world, we have an IPR system⁶ that is publicly administered on a territorial basis, which gives rise to territorial rights. Whereas, in the domain name system (DNS), it is a privately administered space, by and large for the public interest, and it gives rise to registrations that give a global presence, that are accessible from anywhere in the world.

So we have this intersection, as was said in the WIPO Final Report almost exactly twenty years ago today, issued April 30, 1999: “We have the intersection of a global medium in which traffic circulates without cognizance of borders with historical territorially based systems that emanate from the sovereign authority of the territory.”

That’s the circle and the square. So how do we square the circle? The task that was put forward in 1999 was defined as neither expanding trademark rights nor diminishing trademark rights and, at the same time, balancing trademark rights against other rights like freedom of expression and fair use and other legitimate uses of the “string,” which is the fun word we use to mean a domain name when we don’t want to refer to it by any other word.

Let’s compare the real world and the ICANN world. First, the contours of the trademark right had to be adjusted to fit this Bizarro World of ICANN. This was done by consensually shrinking certain aspects of the trademark right while expanding others in a way that counterbalanced each other and, I think, in the end ended up with roughly the same kind of strength and balance between trademark owners and others and the public interest.

In the real world, “confusing similarity” is fairly broad: it can be any confusingly similar word or phrase. It doesn’t have to have all the same letters. It can be a phrase that has different words in it and exchanges words.

⁴ World Wrestling Federation Entertainment, Inc. v. Michael Bosman, WIPO, No. D99-0001 (Jan. 14, 2000).

⁵ WORLD INTELLECTUAL PROP. ORG., FINAL REP. OF THE WIPO INTERNET DOMAIN NAME PROCESS 7 (1999), <https://www.wipo.int/export/sites/www/amc/en/docs/report-final1.pdf>.

⁶ Industrial Property Rights.

In the ICANN world, in the new RPMs that Gerald mentioned that were created in 2012, it literally is an “exact match” program based on the trademark registration, the words in the registration as they appear in the Trademark Clearinghouse,⁷ which is kind of a price of entry into those new RPMs. There are some abused strings basically. If you already went to court and stopped a string or had a UDRP that stopped a string that included your mark, you could put that in the Clearinghouse as well, but by and large it is just an exact match, very narrow.

In UDRP and Uniform Rapid Suspension (UDRP/URS), you get the exact match plus some generic or descriptive words along with it (acme + furniture), but you do not get the same power that you do from the breadth of confusing similarity in trademarks. Since that has now been shrunk down into a teeny little exact match power, the balance that was struck was that we went backwards.

The goods and services limitation essentially evaporated in the new RPMs and has only a limited applicability in UDRP/URS.

In the real world, we have related goods and services that are all part of the penumbra of the trademark right in its enforcement, and these can include natural areas of expansion. International classes are really irrelevant, although they are indicative, but in the end, they do not define the metes and bounds.

We also have another balance that is built into the law — at least in speaking of U.S. law, of course; but other laws are not entirely dissimilar. The more similar the marks, the less similar the goods and services need to be.

On the UDRP/URS, side, the goods and services do matter when you are looking at the use of the domain name on its website if bad faith is tied to the use of the owner’s goods and services.

Territory is another area that had to be readjusted because the shape of the ICANN world is different than the shape of the political territorial world of the real world, so rights in the ICANN world are essentially not limited by territory.

On the other hand, the rights are very limited. Essentially, ICANN does not really provide a forum for a battle between two trademark owners, between two owners who believe they have a legitimate right in a mark, between what we often refer to as a senior user and a junior user.

All users are born the same age, or at least they are the same size. I made sure, since I am at an IP conference, to use royalty-free free clip art, and that accounts for the lack of artistic quality.

Seniority is a huge part of trademark rights. Essentially, it can be the whole game.

What happens if you send a cease-and-desist letter and find out you are not the senior user? You have a huge problem, and ICANN just doesn’t create that battle; it’s just not available.

It is really a balance issue. We have a much stronger right in the real world for the type of term, and we have a weaker right, in essence, for the type of goods and services; it is the opposite on the ICANN world side.

Together, these things define the penumbra of the trademark. Even though these are not the same balance, it’s my view that they end up with the same type of balance. That is critically important when you listen to Mary’s progress report because this means that if you make a change on one side of the equation, you really need to make a change on the

⁷ The Trademark Clearinghouse (TMCH) is the most important rights protection mechanism built into ICANN’s new gTLD program. See *What is the Trademark Clearinghouse?*, CLEARINGHOUSE, <https://www.trademark-clearinghouse.com/content/what-trademark-clearinghouse> (visited, June 5, 2020).

other side of the equation as well. If one side gets narrower, the other side has to get broader.

This is the tradeoff in the world of the new gTLDs.⁸ Whereas we have only exact match in the ICANN world, and the math is approximate, you can see essentially my idea is that while the balance has changed, the ultimate penumbra remains the same.

It is a little bit different in the ICANN world on the UDRP⁹ side because we get exact match plus descriptors. On the other hand, there is now a goods and services limitation at the level of the bad-faith analysis.

For seniority and territory, similarly, the balance shifts on each side, but the ultimate balance stays the same. So the changes that are made on one side — and there are more sides to this; it's more of a dodecahedron than a two-sided equation — in the end both go to the strength and the reach of the mark, and I think these can be considered a pair, although they are not as obviously a pair as the first pair.

But overall, this is a system of interlocking parts, and you can't just change one part without changing the effects of the whole. So, again here is a rough comparison of how the other factors work out.

In dispute resolution, similarly there is quite a big difference between the real world and the ICANN world. I think the rights of the UDRP panelists are actually astonishingly narrow. They may not be astonishingly weak, but they are definitely narrow.

There is no money involved. There is no corrective action. It is simply the transfer of the domain name.

Again, confusing similarity is dealt with differently. The three-prong test¹⁰ of the ICANN world replaces likelihood of confusion, and that requires no rights or legitimate interest in respect to the domain name. In many cases, the junior users, the defendants in trademark cases, have some right or legitimate interest; it is just overshadowed, and the domain name has to be registered *and* used in bad faith. That “and” can be a huge issue, but jurisprudentially it has been dealt with to a certain extent.

The next slides you can read for yourself in the materials. The ICANN world has many fewer remedies.

The default is handled differently. Basically, the default still gets substantively reviewed in a UDRP case. If you don't put in good papers, you can lose on default, which has got to be tremendously embarrassing.

The new RPMs¹¹ are different. They do not really have equivalents in the real world. But the real world has other ways of solving problems and, as Gerald pointed out, they are meant to go against some very specific issues at specific times, so there is really no need for an equivalent.

In the end, I believe that ICANN, with the help of WIPO early on, with the help of twenty years of jurisprudence from panelists like Gareth, and reasoned papers submitted by people like Gerald and Claudio (and sometimes even myself), has created a squared circle, which has managed to transmute the balance of trademark rights against other rights in the real world to the ICANN world not in exactly the same fashion but with an equitable and substantively similar result. If there's an idea of monkeying around with this, the balance has to be maintained.

⁸ See *New gTLDs*, ICANN, <https://newgtlds.icann.org/en/program-status/delegated-strings> (last visited June 15, 2020).

⁹ Uniform Domain Name Dispute Resolution Policy.

¹⁰ See *Applicable Disputes*, ICANN, <https://www.icann.org/resources/pages/policy-2012-02-25-en> (last visited June 15, 2020).

¹¹ Rights Protection Mechanisms.

MR. LEVINE: We will ask for some questions from the audience in a second, but let me give a little bit of my perspective on this.

In 90 percent, or maybe more than 90 percent — it goes up and down; somewhere between 85–92 percent, but let's say it's 90 percent — of the cases there is no defense. It is pure cybersquatting. The issues are generally straightforward.

Panels give us reasoned decisions on this 90 percent. They are, in essence, educating parties about the elements, factors, and governing principles of the UDRP. They are really reasoned decisions, and that is what makes one part of the jurisprudence.

The real challenge lies in the 10 percent of disputes that raise triable issues. The question is whether there is cybersquatting; or innocent and fair use of domain names even though those domain names may be identical or confusingly similar to the trademarks. Do we have cybersquatting or not? Principles have been developed along the way that have been picked up from the trademark jurisprudence. Factors have been introduced to analyze the factual matrix to get to a decision.

This issue about the panelists having a narrow authority that Greg mentioned we will go into a bit more. The authority is the same authority that an arbitrator has. They sit like a court. It is not a court, but it has the extraordinary power that I mentioned before of issuing injunctive relief. They are arbitrators, so it is not narrow in any respect except to the extent that they are applying established jurisprudence. They are not supposed to go off the track, but some do. There is a law.

With that as prologue, are there any questions from the audience or are there questions or comments from the panelists?

MR. DiGANGI: Greg talked about the Working Group and the balance of interests within the Working Group. This is a very important point.

From the trademark owner's and the IP owner's perspective, we are looking at the RPMs and not yet the UDRP, which will be done in Phase 2 of the Working Group. We are looking at the RPMs that were developed for the new gTLD program to see if we can make some improvements. They have been proven to be relatively effective, but when you look at the total amount of cybersquatting in the new gTLDs compared to the legacy domain names, you see a greater percentage in the new gTLDs. It is not a massive amount, but it is still there.

So the RPMs did help in stemming the tide of abuse, and cybersquatting could have been a lot worse without the RPMs, but from my perspective the RPMs are not strong enough to prevent cybersquatting at low levels in new gTLDs. There are a lot of costs involved in using some of the RPMs. There are, as Gerald mentioned, over 1000 new gTLDs. Some of those are dot-brands, which trademark owners' control, which are save spaces for consumers, but many of them are open generic strings similar to dot-com.

That is what we are doing now. We can talk about that some more later in the discussion.

The current challenge is: Can we reach consensus in this Working Group? So far there really hasn't been a great deal of consensus reached. Mary could possibly weigh in on some of those details, but we are still in the first phase and we will have to see what comes out of that.

We are looking at the URS,¹² the sunrise services, and the trademark claims. We are doing a deep dive on all those topics and we are putting forward proposals from the IP owners' perspective to see if we can reach consensus on potentially enhancing some aspects of these mechanisms.

¹² Uniform Rapid Suspension System.

MR. LEVINE: I should also say about this Working Group — and Mary is going to give us (as best as can be told) a timeline for completion — that it is a slow process. Some work has been done on the Trademark Clearinghouse. Some work has been done on the URS. I participate in the Working Group, but I have no idea where things are really going, and I would not be surprised if ultimately nothing really changes.

There is a big issue here about balancing the rights, and Greg mentioned it just in passing. There is a balancing: you do not take anything away from trademark owners, but you cannot take anything away from registrants of domain names lawfully registered. The challenge is defining when registrations are lawful.

There is and has been established over the last twenty years a very vigorous secondary market in domain names. Some of the volume owners of these domain names have millions of domain names that they are selling. There are in the region of 330 million registered domain names, not including the country-code domain names.

When Greg or Claudio talk about protecting trademark owners, we have to acknowledge that the number of cybersquatting challenges has increased only modestly against the number of registered domain names. After all, in 1999 there were only 10 million domain names and WIPO was processing in the region of 1500–1600 challenges to domain names — 10 million and 1600. Now there are 350 million registered domain names¹³ and WIPO is processing something like 2300. In comparison with the number of outstanding registered domain names, I don't think there should be really anything to worry about.

But, Gareth, you get these challenges and have to respond to them. What is your take on what is going on from a panelist's perspective?

MR. DICKSON: You are absolutely right, the number of cases that are brought before WIPO and the National Arbitration Forum and Czech Arbitration Court are increasing incrementally, but there has not been an explosion in the number of cases.

I think that the big issue that has arisen over the last twenty years, what has changed, is the way that those domain names can be used. In 1999 you might have put a website up that had some images and maybe gave you an address to go to and hand over a brown envelope full of money to somebody, and that's how you would be scammed. These days you can use your domain names and email targeting campaigns for phishing¹⁴ or for fraud, for example.

So, although the number of domain names to complain about has not increased substantially, they have become a lot more powerful. I think that has always got to be in the back of the minds of the panelists who are called upon to make any of these determinations.

But you are right, it is a balance. The panelists do have very narrow authority. There are really only, I suppose, four or five things that we can do in our decisions.

One is to pass some sort of comment on the conduct of the parties, if that was appropriate; but it rarely is.

¹³ See *Internet Grows to 351.8 Million Domain Name Registrations in the First Quarter of 2019*, VERISIGN (May 30, 2019), [https://investor.verisign.com/news-releases/news-release-details/internet-grows-3518-million-domain-name-registrations-first#:~:text=\(NASDAQ%3A%20VRSN\)%2C%20a,0.9%20percent%2C%20compared%20to%20the](https://investor.verisign.com/news-releases/news-release-details/internet-grows-3518-million-domain-name-registrations-first#:~:text=(NASDAQ%3A%20VRSN)%2C%20a,0.9%20percent%2C%20compared%20to%20the).

¹⁴ Phishing is a cybercrime in which a target or targets are contacted by email, telephone or text message by someone posing as a legitimate institution to lure individuals into providing sensitive data such as personally identifiable information, banking and credit card details, and passwords. *What is Phishing?*, PHISHING.ORG, <https://www.phishing.org/what-is-phishing> (last visited July 5, 2020).

Another possibility is a finding of reverse domain name hijacking, where effectively you say the person bringing the complaint has done so in bad faith, that they shouldn't have brought this in the first place. But there is no real consequence to that other than mild embarrassment. The comments are all publicly available, but there is no real-world consequence.

The other three possibilities for the panelists are either (1) to not order a transfer or cancellation of the domain name; (2) to order a cancellation; or (3) to order a transfer. That's it. There is nothing more that we can do. We cannot make any orders as to costs or to even security for costs or any other sort of interim relief. It is a very narrow power that we were given.

MR. LEVINE: Right, and some of the discussions at the Working Group level have been about "damages." I think, Mary, maybe you will touch upon that. There are no damages; there is only injunctive relief under the UDRP and the URS. I have seen some writing — maybe it's not so much discussion — that people on the trademark side would like to see some form of damages, something to disincentivize registrants. I don't know where that is going.

But let's hear Mary's talk now and then we'll proceed. Mary, before you start, I want to make sure everyone knows who you are. Mary is the Vice President of Strategic Community Operations, Planning, and Engagement at ICANN.

MS. WONG: Thanks, Gerald, and good morning, everybody. Thank you for coming. I had hoped that by this time this year (hence the title of my talk) — and those of you who were here last year might also be hoping — I was going to be able to provide a report that said, "Here are all the proposals. Here are all the recommendations that are going to be made to change or improve the existing rights protection mechanisms." My fellow panelists have gone through some of them very quickly.

It is no surprise — and Gerald alluded to this — that things at ICANN move slowly. That is not because of anything that any of us here today want to do, but it is because of the need to try to achieve some balance of interests. What then happens is that you bring all the different interests together into the Working Group environment where everybody has a say, it is open participation, and it is my job to try to facilitate those discussions and try to help guide the group toward consensus, which is a word that Claudio mentioned.

Quite a lot of folks in this room and on this panel have participated in that Working Group and the very robust discussions that take place. I don't need to tell anyone in this room that when it comes to protecting trademarks in the online space against cybersquatting, when it comes to protecting the rights of other stakeholders such as registrants, that can be an extremely lively debate. And so it is.

My talk can actually be really, really short. Have we made progress? Some. Have we made as much progress as we had hoped this time last year? No. Is that surprising? No. So let me go a little bit off-track and talk about something else.

Before I do that, I want to give you a sense of where we think we are going. Some of you who were here last year might think this is the same slide you saw then. It kind of is, except a few of the dates in the balloons have changed. I want to let you know where we are now. We are talking about going into mid-2019.

We have done some work on some of the rights protection mechanisms.

We have done a little bit of work, as Gerald mentioned, on the Trademark Clearinghouse.

We have completed an initial review of the Uniform Rapid Suspension (URS) procedure. The URS procedure is modeled on the venerable UDRP. There are some differences, primarily in terms of the remedies available. As its name implies, it allows a panelist

to suspend a domain name. There is no transfer or cancellation remedy, and the burden of proof on the complainant trademark owner is higher.

In terms of the new gTLD program that was launched in 2012 — and, as Gerald mentioned, we are looking at 1200 new generic top-level domains — that is probably one of the new rights protection mechanisms that has attracted the most attention because it is based on the UDRP.

We will be putting up the proposals that came in from various stakeholders about whether and how the URS procedure ought to be changed for public comment at some point in time. What I will say, to give you a sneak peak, is that there are a lot of proposals.

It was very difficult to get the group to come to a very clear consensus on all of them, so essentially what you will see is a panoply of different proposals ranging from less protection, to more protection, to changing the remedies, and so forth. Hopefully, we will have some input from stakeholders outside the ICANN bubble so that a decision can be made as to what we can do.

We will do the same with the other rights protection mechanisms, such as the sunrise mechanism, where a trademark owner can register during a priority period before the domains are released to general availability. I do not have time to go into details of that.

I thought I should highlight the URS, not just because the initial review has been completed, as I mentioned, but because it does have such a close relationship to the Uniform Domain-Name Dispute-Resolution Policy, which, as Claudio mentioned, we will get to. That is a plug for me to come back next year and tell you how close we are to getting there.

I do want to emphasize, though, given the comments that have been made, given what Greg and Gerald have said, that there are a couple of things that I think are important for us to bear in mind.

One is that, whatever these rights protection mechanisms are and whatever they look like, they are not intended to create new legal rights for anybody, including trademark owners. Greg described that squared circle and the attempt that we have made to retain the shape, as it were, of things in the real world. That is a very, very critical point in terms of anything new that might be developed or anything that might be changed about the existing mechanisms. We cannot and should not create new legal rights.

The other point that I should make, again based on the comments — and hopefully this will also open up some discussion — is that we are preparing to launch another expansion round in the generic top-level domain space. There is no timetable for that yet. There is a lot of related policy work that is not necessarily trademark- or IP-related that has to go on before we do that, but my board of directors has publicly committed to having that next expansion round at some point, perhaps after another few years.

The reason I mention that is, one of the key principles underpinning the work going on now, in this Working Group especially, is that if nothing is changed, if nothing new is created, if nothing about the existing mechanisms is modified in any way, then what we have today is what we will have going into the next round. I thought those were two really important principles to remind everybody of what is at stake, if you like.

On that note, I want to close by emphasizing and agreeing with my fellow panelists that it is a tricky question of balancing the interests. There are a lot of discussions. There are a lot of proposals that I think some people might think of choice adjectives to describe, and perhaps during discussion, given the experience we have on the panel, we can get into a little bit of what that discussion looks like.

Thank you all very much, and thank you, Gerald.

MR. LEVINE: Thank you, Mary.

I think we should go into detail a little bit on the proposals. Greg, would you say that there are warring interests between mark owners and domain name registrants with regard to the UDRP and the URS?

MR. SHATAN: Well, I think any time you have a stakeholder-based system which is based on people who have an interest, you could potentially end up with warring positions, or even warring factions. In this case, the stakes have been sharpened and dipped in curare.

One issue is that not all the potential stakeholders necessarily are represented there. They are primarily either trademark owners, domain investors (or speculators or domainers or whatever you want to call them), and members of the anti-intellectual property caucus within the Non-Commercial Users Constituency (NCUC) — not a formal caucus, just my characterization.

We have ended up with a series of very strong proposals for change, in my humble view, coming first from the domain investors and the NCUC, to make radical changes, such as complete elimination of RPMs or complete elimination of protection for the vast majority of trademarks by deciding that somehow dictionary words don't deserve protection and that only fanciful or coined terms should be provided protection.

Perhaps unfortunately, every action has an equal and opposite reaction. I think the intellectual property side probably came up with some rather strong recommendations as well, some of which may make some sense and some of which are essentially just counterweights to the other side.

Consensus involves people coming to the middle, more or less, which has sometimes been defined as everyone being equally dissatisfied with the result. At this time we still seem to be more wallflowers on opposite sides. But it is only year three or four of the work that we are doing, so perhaps before the fall of Western Democracy we will actually get this done.

It would probably be better if we were focusing on fine-tuning and trying to make things work better. I think in some cases we will succeed.

One proposal that is coming out of the work we are doing now that I think will actually come to fruition and be good is a change in the trademark claims notice. This is one of the RPMs we've talked about least. For trademark claims, when a domain name is applied for in the sunrise or in the first ninety days of general availability, typically a notice is sent initially to both the trademark owner and to the applicant that says, "You may be stepping on somebody else's rights here." It doesn't say it that clearly; as a matter of fact, it says it in rather obfuscatory (and some might say intimidating) language.

The proposal that is going to come out of the Working Group, which is hopefully not going to be extreme and that is actually going to be helpful to the entire process, is that the trademark claims notice will be rewritten in a much more plain-English and plainly translatable fashion and will actually not look like some sort of terrible legal notice that you either click past without reading or that scares you away from registering a domain that you would absolutely have a right to register. That is one good thing.

If we can find a few more reasonable things to discuss, we may be better off, but right now it feels like we are in a pitched battle more than a collaborative process most of the time.

Of course, only certain domain name registrants are really represented there, mostly domain investors, and NCUC would argue they represent certain small domain name owners. For instance, the millions of domain names owned by botnets and spam houses and phishers don't seem to be represented there, and that is a certain type of domain name owner. One could say the Intellectual Property Constituency represents a huge set of domain name owners whose interests are quite different from the domain investors, and

yet probably — I don't know the exact numbers — there are very large holdings on all sides of the equation.

We'll see what happens.

MR. LEVINE: Before we get more comments, yes, sir?

QUESTION [Daniel McGlynn, New York]: Can you describe and discuss the WHOIS¹⁵ search controversy in terms of ICANN?

MR. LEVINE: We'll get to that. I will ask Mr. Dickson to address that because he is an expert in the General Data Protection Regulation (GDPR) area. It is an issue in terms of access to the information that is being collected. It is not an issue of the collection of the information; it is an issue of the access to the information that ICANN collects. Gareth will deal with that in a moment.

Are there any other questions with regard to Mary's presentation?

MS. GARRIS: I have a question. In terms of the URS initial review that was completed in October, can you give us a sneak peek as to what is happening with the possibility that transfer will be a remedy that will be added to the URS? From my perspective, more brand owners would use the URS if transfer were one of the remedies.

MR. LEVINE: We are a little premature on this. There is a war going on in the Working Group on the URS. There are proposals. Some of the proposals are on different ends of the perspective. On one end of the perspective they are outrageous and on the other end they make sense.

On the claim notices aspect of the Trademark Clearinghouse that Greg just spoke about, I am very happy to hear there is a developing consensus for rephrasing the language. I think that is the correct approach to that problem.

But I should also say in terms of perspectives, when you look at trademarks, the number of trademarks that are coined are infinitesimally small in comparison with what trademarks really are. Trademarks, in a sense, all begin with generic terms. They are all drawn from cultural assets, from dictionary words alone or combined. That is what trademarks are. Apple, the company that makes electronics, is not the only company that uses "apple," and so on. So, everything begins with the generic.

The secondary market that I talked about is a real market. The annual transactions in this market are significant. The participants, the registrants of domain names who acquired domain names for their semantic rather than trademark value, have rights and interests too.

QUESTION [David Sutcliffe] I have a question for Mary before you move on. Mary, I was transferring an address. I had a Chinese Uniform Resource Locator (URL). When I put in my new address change, they came back and said, "We do not accept that change." Can you tell us what is going on in that procedure? Am I being clear?

MS. WONG: Kind of. It may be easier if we speak after the panel because I have a few questions about what exactly happened. Of course, we do have a transfer policy which is binding on all the registrars that handle domain name registrations and transfers.

QUESTIONER [Mr. Sutcliffe]: Okay, thank you.

MR. LEVINE: Claudio, can you add to that from the Constituency's point of view?

MR. DiGANGI: I am trying to recall where we left things off on the URS. I think — and maybe Greg or Mary can correct me — that we put it on hold and we started moving on to the trademark claims and the sunrise services. Is that right?

¹⁵ Whois data is a collection of data about the registered domain name, its name servers and registrar, the domain name creation date, the domain name expiration date, the contact information for the registered name holder, the technical contact, and the administrative contact — to list a few. *About Whois Inaccuracies*, ICANN, <https://www.icann.org/resources/pages/inaccuracy-2013-03-22-en> (last visited July 7, 2020).

MR. LEVINE: Yes.

MR. DiGANGI: That is right, yes. We are going to eventually go back to finishing up the work on the URS. But, again, it is very challenging because of the diversity of interests. Nobody wants to lose ground on the issues that they are so passionate about.

It is very likely something like the transfer, which does have a very significant value-add to the trademark owner — and this was something that the International Trademark Association (INTA) was advocating for before the RPMs got approved — that at some point in the process, maybe if the registrant of the domain name did not renew the domain — which is another issue because we have seen domain names that were suspended under the URS and then were renewed by the same registrant — so they still have ultimate control over the name; they just need to wait out the suspension period.

That is something that we are looking at. I think there might be some possibility, at least on this particular issue, when the suspension period ends to have the domain name deleted and put back into the pool of registrations. It is not exactly the same as a transfer, but the trademark owner could then register the domain name at that point. That is another way of getting there.

MS. GARRIS: Right now, it's just a Band-Aid. You have the potential, but you have to keep bringing the procedure over and over again.

MR. DiGANGI: Exactly.

MS. GARRIS: Most of my clients just want to go ahead with the UDRP.

MR. DiGANGI: Yes, that's exactly right.

MR. LEVINE: Is there another question?

QUESTION [Benjamin Rubin, Nokia]: I have a very general question. What serves as the deterrent for those parties that have warehouses full of domain names in terms of willful actions in which they are choosing these domain names that are more or less confusingly similar to trademarks that are in existence and are causing your clients so many problems and hassles? Other than the transfer itself, is there any deterrent in terms of the damages that could be incurred?

MR. LEVINE: First of all, there are no damages in the UDRP, so there is no deterrent there.

Let's take a "for instance" situation. If the trademark owner is really riled up about it, he doesn't have to do the UDRP. He can go to the Anticybersquatting Consumer Protection Act, which does have damages up to \$100,000 per domain name.

Similarly, the other way around, if the respondent, the registrant, is aggrieved by an award that deprives him or her of the domain name, it/he/she can challenge the award under the Anticybersquatting Consumer Protection Act. There have been cases in which the trademark owner has been assessed significant damages, anywhere up to \$100,000. It works the other way around also, where the trademark owners have won significant damages from domain name owners.

So, there are some deterrents, but you have to understand exactly how all of this works.

MS. WONG: I think that's a really good question, going into what sort of deterrents ought to be in place, what might work. But I think where we are constrained is something I said earlier that we are not supposed to expand on the rights. We have found from the trademark owner's perspective — and, Kris, I think your comments bear this out — that the most powerful weapon right now is the UDRP.

But whether you are talking about the URS or the UDRP, that essentially is what we call a "curative mechanism," in the sense that the "damage" has already been done and now it is up to the trademark owner to decide: "Do I want to go to court? Do I want to file a UDRP complaint and maybe get a transfer or cancellation? Or, if it's a domain or set of

domains that is registered in the new gTLDs, do I want to go for this new suspension procedure?”

There was a recognition before this current round that the costs of enforcement could go up but that had to be weighed against the opportunity to provide competition and choice to consumers and so forth.

This is one example of consensus, or even compromise if you like, because going into any of these processes — and if we go back almost ten years now to when we started developing these new rights protection mechanisms — a lot of the ideas and proposals were probably more extreme, if I can use that expression, than what we ended up with.

What you have heard from my fellow panelists is that we are seeing some of the same proposals come up again, sometimes from the same proponents, partly because this is the way to try to get something on the table. You may walk away with something lesser, but if you don’t start that way, then you are never going to even get to the something lesser.

On that note, to go back to the transfer question that Kristin asked, I want to note that when the reports are put out for public comments, meaning anybody can comment, really the work has only begun for URS. Simply because of the number of proposals that are going to be in the report, it would be unrealistic for us to think that it will be easy to sift through whatever input we get and then reach some compromise or consensus on something that is radically new.

What we see is that a lot of the arguments are arguments that have been made over many years. That does go to show, not just entrenched positions, but what is really valuable to some of the stakeholders, whether they are trademark owners, brand owners, or the non-commercial activists that Greg mentioned, or like Gerald, the domain investor community.

So, I am a little bit concerned that there sometimes is an assumption “Okay, we’ve gotten so far; we’ve at least narrowed down the list of forty proposals to twenty-three; now we can make a decision.” This is still going to be a rocky road.

MR. DICKSON: Can I chime in as well to try to tie in Ben’s question with the earlier question on the GDPR? I think we have to bear in mind that the UDRP was designed with this very narrow focus: in clear cases of cybersquatting, it is to be done quickly and cost-effectively. That’s why you don’t have any disincentive really on the part of the registrants to register infringing domain names.

You can, of course, go to court. But you should be careful. You don’t get damages by going to court, but you might get an award of damages. Actually seeing those damages is a completely different matter, and professional registrants who are set up to infringe other brands and to use them for nefarious purposes are well-equipped to try to evade the jurisdiction of anybody who could enforce any sort of award of damages against them or any other injunctive relief.

What you can do when you are facing large-scale cybersquatting is, of course, consolidate lots of different domain names into a single complaint. You can do that in theory. But the GDPR has caused the WHOIS system, this database that identifies who is the owner of a domain name, to go dark. So, if you look up the WHOIS record for a domain name now, you will see “name redacted,” “name redacted,” “name redacted,” “address redacted.”

What you could have done previously was look up somebody’s name and then do reverse searches to identify all the domain names that that person or entity had registered and consolidate them all into a single complaint. I think the largest complaint at WIPO is about 3000 domain names in a single complaint.¹⁶

¹⁶ TOBAM v. M. Thestrup / Best Identity (Fr. v. Den.) WIPO, D2016-1990 (2016).

That is much more difficult if you cannot identify the individual who has registered the domain name. So what we are saying — and what we'll talk about at 10:30 in Session 7A on trademark and copyright enforcement — is the impact that the GDPR had on the number of cases and the number of domain names that are being challenged through the UDRP was that in 2018 more cases are being filed. Rightsholders are spending more money enforcing their trademark rights through the UDRP, but they are doing so with respect to fewer domain names. The number of cases is going up, the number of domain names being challenged is going down, so rightsholders are investing more money for less return as a direct result of the GDPR.

MR. SHATAN: If I could chime in as well, I think, Kris, you said that if the URS had transfers, more trademark owners would take advantage of it. There are definitely people in the Working Group who think that is the last thing they would want to have happen. They would like to have nobody using the URS — they wish it didn't exist as a matter of fact. The factions that are fighting against it are also fighting against having it come into the remaining legacy TLDs that are not already using it because it came in as part of the new gTLDs.

Right now up for public comment for the next few days are renewals of .org, .biz, .info, and .asia registry agreements, and one of the things that those agreements do is import the URS into those domains.

There is, I would say, a vicious battle taking place, and it seems to be in part driven by a relatively small number of domain investors trying to stop that, or at least make it seem as awful as possible. They are also protesting against the removal of price caps from three of the last four top-level domains that have price caps in the legacy domains.

I will actually put in a brief plug for domain investors. One of the reasons why I think we don't see a huge increase in UDRPs is that domain investors have gotten smarter and have shied away in many cases from actual infringement and are looking for marks for generic terms that they believe will have value down the line for someone for a generic purpose, or what they call a "brandable" domain name, which they believe is not being used currently but which down the line somebody would see as a brand; and then, rather than being able to get it from the registrar, they would have to go to that domain investor. At least, though, they are not participating in cybersquatting. That is a sector of the domain investor community.

There is another sector where the domain investors are something else entirely, that have caches of infringing domains, and in many cases these are related to botnets and they are related to spam and they are related to hacking and phishing exploits and fast-flux type systems where you are changing domains rapidly over time.

Unfortunately, what happens when the domain investors oppose the URS is that they are making life a lot easier for the "dark side" that they sit next to, which is always a danger on either side for rightsholders. There are probably trademark bullies and maximalists that the trademark bar ends up protecting, even though I wish they didn't. Certainly, there are some people I would like to talk to about: "Why did you bring that complaint? What were you eating?"

MR. LEVINE: My talk is about the opening process in the UDRP; namely, filing a complaint. Greg's and Mary's presentations gave us a bird's-eye view of the RPMs and also insight into what is happening in the RPM Working Group discussions. I am going to focus on the UDRP and give you a view as seen through the eye of a litigator.

Those who litigate for a living know that complaints filed in courts of competent jurisdiction essentially give notice that a claim is being made against a party. What is unusual about the Uniform Domain Name Dispute Resolution Policy — and this is what I want to bring to your attention — is that there is imposed at the pleading stage a demand that

parties include proof, not simply make allegations, that they are entitled to an award, either having the domain name canceled or transferred to them.

Instead of labeling the initiating pleading as a complaint, it would be more accurate to call it a motion for summary judgment. If we think about the pleading in this way, we will immediately apprehend that a deficient complaint will never do.

Yet, surprisingly, there is a small, and on an annual basis a steady, number of cases, in which complainants, trademark owners or their representatives, lose their claims for want of understanding the requirements of the UDRP.

Generally, proof is easier for the well-known and famous marks, but as marks decline in composition to dictionary words and descriptive phrases, the burden grows heavier. The reason for this is that dictionary words used as trademarks do not lose their public function as dictionary words and, as such, are capable of multiple associations unconnected with any particular mark.

To avoid dismissal, claims must be properly presented, and by “properly presented” I mean that trademark owners must include as part of their pleading persuasive evidence of cybersquatting.

The UDRP has a simple three-part structure.¹⁷ Complainants must prove:

- (1) that they have standing to maintain the proceeding;
- (2) that respondents lack rights or legitimate interests in the domain names; and
- (3) that the respondents registered and are using the domain name in bad faith.

I’ll do a quick walk-through each of the elements and factors in each of the three limbs:

To have standing under the first limb, complainants must prove:

- (a) that the domain name is identical or confusingly similar to complainant’s mark.

If the domain name is similar but not confusing, the complaint has no standing to maintain the proceeding and the complaint will have to be dismissed; and

- (b) that the complainant has rights. The rights can be either registered or unregistered. But if the rights are unregistered, a complainant must prove the mark had acquired secondary meaning before the domain name was registered. If it cannot, the complainant will not have standing, and the complaint must be dismissed.

As it affects unregistered marks, the issue is their reputation when the domain name was registered. To have current reputation is not probative of reputation when the domain name was registered. If the owner is unable to demonstrate reputation at the time the domain name was registered, it will most likely not have standing.

Also, if the complainant has registered rights that accrued subsequent to the registration of the domain name, we have the anomaly of the complainant having standing to maintain the proceeding but no actionable claim or remedy. This is actually true not only in UDRP but in the Anticybersquatting Consumer Protection Act. The trademark must precede the registration of the domain name.

The complainant succeeds on the second limb by making an un rebutted prima facie case that respondent lacks rights or legitimate interest in the domain name. It does this by alleging three presumptive facts, keeping in mind that presumptive facts are open to rebuttal. The presumptive facts are:

- (a) the respondent is not using the domain name in any bona fide offering of goods or services;
- (b) the respondent is not commonly known by the domain name; and

¹⁷ See Micah Ogilvie & Caroline Valle, *Avoiding UDRP misuse – from the misinformed to the malicious*, WORLD TRADEMARK REV. (Jan. 16, 2020), <https://www.worldtrademarkreview.com/brand-management/avoiding-udrp-misuse-misinformed-malicious#:~:text=The%20UDRP%20follows%20a%20relatively,of%20the%20domain%20name%3B%20and>.

(c) the respondent is not making a legitimate, noncommercial, or fair use of the domain name.

If the complainant succeeds on its *prima facie* showing, the burden shifts to the respondent to rebut the presumptive evidence. There are three nonexclusive affirmative defenses, that are, in fact, the affirmative mirror images of the complainant's presumptive facts, namely:

(a) the respondent *is* using the domain name to offer bona fide goods or services;

or

(b) it has been commonly known by the domain name since prior to its acquisition;

or

(c) it is making a legitimate, noncommercial, or fair use of the domain name.

If the respondent successfully rebuts the *prima facie* case, the complaint must be dismissed because the complainant would have failed to prove registration in bad faith regardless of the use of the domain name. If the respondent fails to rebut or defaults, the complainant succeeds and moves on to the third limb.

For the third limb, there are four nonexclusive circumstances of bad faith. They are:

(a) the respondent is offering the domain name for sale to the complainant or its competitors; or

(b) the respondent acquired the domain name in order to prevent the complainant from reflecting the mark in a corresponding domain name; or

(c) the respondent is a competitor that has registered the domain name to disrupt the complainant's business; or

(d) the respondent is using the domain name intentionally for the purpose of commercial gain to attract Internet users to its website.

Proof of conjunctive bad faith is generally supported by the strength of the mark, the location of the parties, the hyperlinks on the website (e.g. if the website is not properly curated), the plausibility of any claim of good faith, and the conceivability or inconceivability that the domain name can be used without infringing the complainant's rights.

If it is conceivable that a domain name can be used without violating a mark owner's rights, the complaint is likely to be dismissed.

That is a very brief overview of what I am calling the evidentiary demands, which I think are significant, and I think Gareth would agree that this is what he sees as a panelist.

But let me say in closing that these observations are intended as cautionary warnings to complainants that if they fail to recognize that they are moving for summary judgment, they will lose.

A fleshed-out version of this talk with case citations will be available after the Conference posted online at <http://www.circleid.com/members/7816/>.

Any comments from the audience?

[No response]

Let me ask Gareth, as a WIPO panelist, what is your take on the evidentiary demands, what is expected, and how do you view them?

MR. DICKSON: I think one of the real advantages you have as a complainant in the UDRP is that we have a consistent body of rules that have been applied more or less consistently throughout the latter part of the twenty years that we have had the UDRP. There have been some issues that need a bit more discussion and alternative decisions and decision-making processes in the early days to really work out what is the best course of action, but that was done in the early 2000s.

WIPO has very helpfully produced three versions of its overview of panelist jurisprudence over the last number of years. The most recent one was about eighteen months ago, so it's very up to date.¹⁸

That is really a roadmap. If you are going to bring a UDRP complaint, you have presented in front of you by WIPO, free of charge, available online, and searchable, a whole encyclopedia of what other panelists have taken as their preferred interpretation of the UDRP throughout the last twenty years. It cites the cases. It used to give you majority and minority views, but that has all been abandoned now in favor of whatever the preferred interpretation is.

I think you are right that there is no presumption. But sometimes, if you have been found to have registered a cybersquatting domain name *X* number of times throughout *Y* number of years that preceded the complaint, there is a presumption against you that doesn't exist within the policy. However, in the panelists' view, if somebody is consistently being found to have registered domains for the purpose of free-riding off somebody else's reputation or for phishing or for whatever it is, of course that is going to have an impact on their thinking.

So yes, the evidential standard is there. It is there from the get-go. You very infrequently get a second opportunity to offer evidence that you did not provide in the first instance, but in most cases, complainants do that, and they do it relatively well.

MR. SHATAN: I should just briefly say that in addition to the WIPO overview you should read Gerald's book if you plan to take on the role of UDRP attorney, second edition coming soon. Gerald is probably too modest to mention it himself, but it is a fantastic piece of work.

MR. LEVINE: Thank you. Claudio.

MR. DiGANGI: When I think about the UDRP, the way I look at it is there are different perspectives on the level of abuse that is taking place. You could look at the numbers and you could interpret them in different ways. Gerald mentioned, for example, the number of cases that have been brought in relation to the overall number of domain names that are registered.

An additional issue is how many domain names are abusively registered where a case is not brought — for example, if there is phishing or some other form of abuse. If there are other levels of abuse like that, you are more likely to see a case filed under the UDRP, or even the URS; but in other types of cases the trademark owner has to prioritize and is restricted by budgets and other human resources. That is the other factor. This unknown is what's lurking out there.

INTA did a study¹⁹ on this, and we have discussed the study within the Working Group. That is definitely something that the RPM Working Group may consider putting forward a recommendation on, for an economic study or for additional studies to get more helpful data. The policy work is supposed to be driven by data, but we have challenges because it is very hard to obtain the actual data. Going forward that is something that I think will help inform our discussions.

MR. LEVINE: Mary?

MS. WONG: Although it is a very nice day, I want to close with the fact that that is actually one of the things that scares me about the UDRP review coming up. We have talked about the initial completion of the URS review. From everything Claudio said, I think it is very clear that it is much more helpful if you have data to make the policy rec-

¹⁸ See *Jurisprudential Overview 3.0*, WORLD INTELLECTUAL PROP. ORG., <https://www.wipo.int/amc/en/domains/search/overview3.0/> (last visited June 17, 2020).

ommendations. To date, for UDRP and URS there is data out there but it has not really been consolidated.

There was a lot of work put into looking at the URS cases, which were at the time about 1700, and so to your point about renewals, those kinds of data points came up. I am terrified at having to do the same thing for over 60,000 UDRP decisions, but that is something that we have to look forward to in the years to come.

MR. LEVINE: I want to thank the panel and the audience and thank you for attending.

MR. SHATAN: And thank you, Gerald, for moderating and for herding all of the cats on this panel, even as some of the identities of the cats' change.