

# The IRT Proposals of URS Dangers/Problems And Innovative Solutions Of this Major Battlefield Issue

Paper shared on August 7, 2009

## What the IRT Proposes:

The IRT proposes a system to take away domain names which it hopes will:

- monetize off the value and goodwill of a brand,
- distribute counterfeit goods,
- malware and other malicious software,
- phishing attempts, and
- adult content (IRT Final Report, page 25).

The IRT Committee states that its intent is to “supplement and not replace the UDRP,” and “address cases of abusive use of trademarks where there is no genuine contestable issue as to the infringing or abusive use (i.e., not a fair use or commentary situation nor a situation involving questions of whether the registrant is or is not authorized or selling, for examples, legitimate, non-counterfeit goods). (IRT Report, p. 25)

Yet, their proposal is far broader than the types of conduct they actually seek to limit.

## Dangers/Problems with the URS Proposal:

In its Joint Statement on the IRT Report from members of ALAC and NCUC, the two groups jointly presented the following severe critique of the URS:

*“We have serious issues with the Uniform Rapid Suspension Service (URS) as proposed. For instance, the URS mechanism subverts conventional UDRP practice as it gives entirely insufficient time for notice to the registrant of the pending dispute. Thus, the registrant is unfairly limited in his/her right of response and the process is missing the fundamental principle of due process.”*

### **In brief, the URS , if implemented, will:**

1. **Replace the UDRP.** Faster and cheaper, and without anything to restrict its use to the truly egregious cases, all trademark owners will use the URS, only turning to the UDRP if they lose the URS.
2. **Provide fundamentally unfair notice and response time.** It assumes email never goes into SPAM filters, the people never take vacation, and that lawyers never need time to prepare a response. The procedural rights of domain name registrant will, thus, be severely impaired.

3. **Game the URS process entirely in favor of the trademark owner lawyers.** The URS games and manipulates the system completely in favor of the trademark owner – whose attorneys can spend infinite time and money on preparing the filing, and then choose, for instance, a filing date in mid-August or mid-December.
4. **Presume the guilt of all respondents, all domain name registrants.** “Nowhere in the Benchmark checklist or in the URS is consideration given to the 'proper' respondent. Every respondent is presumed to be guilty upon presentation of the complaint and any expense incurred is foisted upon the respondent without rationale [sic] or comment.” (Keating written comments, p. 12). Further, incomplete answers, even if unintended or inadvertent, regardless of how complete, are deemed a default. The rights of registrants should never be disregarded.
5. **Suppose a clear standard where none exists; disregard rigid standards of legal evaluation.** Simply put, the cybersquatting question is not as easy as the IRT Committee would suggest. The “we know it when we see it” approach by trademark owners is disproved by UDRP and court decisions:
  - Strick Corporation v James B. Strickland Jr.: “Nothing in trademark law requires that title to domain names that incorporate trademarks or portions of trademarks be provided to trademark holders. To hold otherwise would create an immediate and indefinite monopoly to all famous mark holders on the Internet, by which they would lay claim to all .com domain names, which are arguable ‘the same’ as their marks. The Court may not create such property rights in gross as a matter of dilution law. Trademark law does not support such a monopoly”.
  - Banco de Chile S.A. v. Eric S. Bord, Esq: “The clear statement of Section 4(a)(iii) is that the Complainant must prove both bad faith registration **and** bad faith use. This distinction was not casually made by the UDRP drafters. It contrasts with the terms of US Anticybersquatting Consumer Protection Act (which was being enacted at the same time as the UDRP), which allows a claim based on either bad faith use **or** bad faith registration. Twisting this very clear requirement on its head, the majority says “non-use” can equal “use” [...] Here, there is no evidence of any specific intent to prevent the mark owner from reflecting its mark in a corresponding domain name. To deprive evidence of intent from the simple fact of registration is to ignore the requirement of finding intent. To apply 4(b) (ii) in cases where, as here, the mark owner already has numerous domains corresponding to its mark is illogical. The mark owner has no right to very possible variation on its theme [...] it has a right to use its mark in some corresponding domain name, not all of them. Again, cybersquatting is an act that shows particular harm to the mark owner, not some general disadvantage”.

Further, Paul Keating's written comments strongly show, from a registrant attorney perspective, that the IRT fails to provide any quick or clear test for the egregious conduct it seeks to prevent:

***“Rapid Solution?”***

***The need to rapidly take down clearly abusive sites is clear. However, the URS suspension will not occur until after the ultimate decision. No deadline is imposed on the decision. Given the complete issues that must be addressed (with a genuine issue of material fact exists) it is unrealistic that the remedy will be any faster than the average default UDRP. It is not a 5-minute oil change solution.” (Keating, IRT Comments, p. 9).***

6. **The so-called crisis of cybersquatting does not exist.** One element of consensus in Sydney, among the entire assembled non-IRT community, was that overall UDRP cases, relative to overall domain name registration, were going down.
7. ***We cannot stress enough the disastrous consequences of moving forward with the URS as drafted. If ICANN moves forward with the URS, it will:***
  - ***displace a system created by a multi-stakeholder community with one created by only one community (trademark community);***
  - ***disregard 10 years of work and experience in the UDRP;***
  - ***endorse a very flawed litigation system created from scratch by one biased community;***
  - ***displace and bypass the GNSO on a serious policy issue;***
  - ***miss the input of those registrant attorneys and academics, who should be involved in drafting such an important dispute proceeding;***
  - ***send certain registrant groups to Congress, and***
  - ***destroy the GNSO process.***

***Adoption of the URS “as is” threatens ICANN and its grassroots based system, will lead to explosion within ICANN, and unfair and unjust decisions which will haunt ICANN for years to come.***

## **What We Recommend:**

For the URS, we support three recommendations. The first is quick, simple and clean and provided by registrant attorney Paul Keating.

### **I. Convene a UDRP Reform in the GNSO.**

After 10 years of the UDRP, everyone has commentary, critiques and changes. A level playing field of all stakeholders would push this issue forward quickly – probably in time to coincide with the new gTLD issuances!

This option is, by far, the best.

### **II. Don't adopt the URS -- Do Modify the UDRP for new gTLDs in a quick, clear way to simply incorporate the goals of the URS – the Keating Answer.**

Paul Keating, longtime registrant attorney, states: “I am entirely opposed to the URS. I feel that the primary concern of the TM holders (getting sites shut down quickly and at an efficient cost) can be handled entirely as follows:

1. Amend the UDRP to provide that if a UDRP is filed, the respondent has a period of time to elect any of the following:
  - a. Defend
  - b. Surrender the name.

“Electing to defend requires a nominal payment by the REGISTRANT. This acts only to keep the webpage operating pending the final UDRP decision. Failure to file an election to defend does not equate to a default. AND a registrant who did not file an election to defend can come back at any time during the UDRP process and file one, pay the fee and get the domain back up and running. This protects the registrant who may not have seen the notice.” (Keating, Email to Kleiman & Komaitis, 8/5/2009).

Keating's position is reasonable and accurate. His recommended “quick fix” to the UDRP, if approved by the GNSO, would be consistent with GNSO's past work, in keeping with UDRP history, and further, fulfill the needs of the IRT as set in the IRT report. It also would resolve the deep substantive and procedural concerns of the dozens of individuals, businesses and organizations who opposed the URS in the public consultations and written comments.

Keating's solution is a reasonable place to stop and a solution that should be broadly acceptable to the ICANN community.

### III. Option 3: Prevent the Conduct the IRT Really Intends: Egregious Conduct

***This third proposal is not as simple, but provides a middle ground. It was proposed by eNom's Richard Tindal in NYC and London and provides a narrowly-tailored focus to the URS that seems to a) satisfy the immediate needs of the IRT Community, b) not threaten the legitimate rights and interests of good faith registrants by pulling them into a fundamentally unfair process; and c) leave the rest of the UDRP Reform to a full and fair process for all gTLDs.***

The IRT Committee was very clear in its meeting with NCUC representatives in Sydney: their intent in the URS is to block and/or quickly take down the ***serial cybersquatter***. In this context, the report of the IRT makes much more sense. Serial cybersquatters, especially those who register dozens or even hundreds of variations of well-known marks as domain names to monetize their value with pay per click websites

- are not engaged in fair use;
- are not engaged in a commentary situation; and
- are not in a situation involving questions about whether the registrant is or is not authorized or selling, for example, legitimate, non-counterfeit goods. (All examples of situations the IRT does not intend the URS to encompass). (IRT Report, p. 25).

Therefore, the recommendation, appropriately, of eNom, is to focus on this conduct. If ICANN wants to take steps to prevent ***serial cybersquatting***, then the URS should be narrowed down to address those concerns.

Following on what eNom suggested, Kleiman and Konstantinos suggest that ICANN can set URS filing requirements as follows:

- A. A minimum threshold of 26 domain names for a single trademark (with the trademark owner allowed to show that various entities are really controlled or operated by the same party);

- B. A minimum threshold of 72 names for multiple trademarks held by the same trademark owner (e.g., the 400 trademarks held by Time Warner) (with the trademark owner allowed to show that various entities are really controlled or operated by the same party); and
- C. Domain names identical or confusingly similar to a mark in which the Complainant holds a valid trademark registration **for the word mark** issued by a jurisdiction that conducts substantive examination of trademark applications prior to registration.

(The “word mark” threshold is critical as design marks do not provide trademark owners with rights to the use of the word outside of the colors, graphics and pictures for which the trademark is sought.)

In this case, the threshold itself, if met, goes a long way to showing the bad faith and bad conduct of the registrant. It is a rapid takedown process for serial cybersquatting – and a direct and innovative solution to the problems raised by the IRT.

### ***A Further Step and Solution: Rapid Takedown of Criminal Conduct***

We note that the other egregious conduct raised by the IRT Committee in the IRT Report is not solely trademark infringement – it is criminal conduct in its own right. To “distribute counterfeit goods,” to provide “malware and other malicious software,” to engage in stealing PIN numbers and other “phishing attempts” and to post “adult content” under a children's product name to lure underage visitors to a pornography site ***is criminal conduct!***

In such instances, however, trademark issues are secondary -- it is the illegal content of the website itself that creates the cause of action by which the conduct against the domain name and website may most rapidly proceed.

The rapid takedown of domain names involved in criminal matters is the current work of the Anti-Phishing Working Group (APWG). They have procedures in place today, and are formalizing the more extensive *Abusive Domain Name Resolution Suspension Process*.

Further, every registrar and registry we talked with has “Rapid Takedown Procedures” for criminal conduct. It is a problem with a known solution – and one for which the whole UDRP does not have to be modified or set aside. These are ***not exclusively or even substantively trademark infringement issues, thus ICANN’s approach to this issue can be narrow, specific and targeted to the serial cybersquatting cases.***

## **Recommended Next Steps:**

We strongly recommend that ICANN quickly convene *a multistakeholder group* to:

- review the three options; and
- determine which option to move forward on.

Should the group choose to move forward with either of the two narrowly-tailored URS options, we recommend that ICANN move to quickly convene a UDRP Review process through the GNSO. The IRT discussion has shown that there is much to discuss and improve in the UDRP and 10 years of experience on which to base the discussions. Prior to the delegation of any new gTLDs, the GNSO could be well on its way to reshaping a fuller, better-informed and more tightly drafted UDRP.

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