

For GNSO Consideration: Uniform Rapid Suspension System (URS)

October 2009

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Introduction

The proposal for establishment of the URS was among the potential solutions to trademark protections in new gTLDs. It was developed through community consultations including the recommendations of the Implementation Recommendations Team (see <http://icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf>) and others, and feedback gathered in online fora and public meetings. (The Implementation Recommendation Team [IRT] was assembled to help identify and propose rights protection mechanisms [RPMs] for trademark holders within the New gTLD Program.) The proposal for the URS resulted from the perceived need for a rapid take-down process for egregious and clear-cut infringing domains. After receiving recommendations from the IRT, and extensive comment and consultation with the broader community, ICANN staff has drafted a set of implementation recommendations related to intellectual property protection for the new gTLD program.

Given that the original GNSO policy direction was very general in nature, the Board is providing the GNSO with the opportunity to offer focused, timely input on this specific area of the proposed implementation plan. The Board is requesting the GNSO’s consensus view on whether the following rights protection mechanisms recommended by the staff are consistent with the GNSO’s proposed policy on the introduction of new gTLDs, and are an appropriate and effective option for achieving the GNSO’s stated principles and objectives.

The stated purpose of the URS and its attendant remedy are different than the purpose of, and remedies awarded in, a Uniform Domain Name Dispute Resolution Policy (UDRP) proceeding. The URS is intended to provide an expedited procedure for addressing clear cases of infringement. The URS would exist as a complement to the UDRP (see <http://www.icann.org/en/udrp/udrp.htm>), which also addresses matters of trademark infringement in domain names. However, the URS is designed to provide a faster means to stop the operation of an abusive site, while the UDRP provides for transfer of a contested domain name to the rights holder. Rights holders seeking to pursue cases of infringement could use either or both procedures.

The differences between the URS and the UDRP are intentional. Upon receipt of a notice that a URS proceeding has been filed, the registry operator would “lock” the domain name at issue (that is the registry restricting changes to the registration data, including transfer and deletion, but allowing the name to continue to resolve - referred to by the IRT as a “freeze”). No such locking occurs in the UDRP. Further, if a URS complainant were to be successful, the domain name at issue would be suspended for the duration of the registration period; the UDRP provides that the name is transferred.

The proposed standards for URS Examiners to apply in rendering their Determinations are whether: (i) the registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; and (ii) the Registrant has no legitimate right or interest to the domain name; and/or (iii) the domain was registered and is being used in a bad faith. Of course, as proposed by the IRT, it makes sense given that the URS is meant only for the most clear-cut blatant cases of infringing conduct, that the burden of proof should be higher than in the UDRP. Complainants in URS proceedings must prove their cases with clear and convincing evidence.

The IRT has suggested that trademark holders could (although would not be required to) pre-register as URS participants, by supplying information about the trademark holder and their mark(s), thereby streamlining the process upon initiation of an actual URS proceeding. As the proposal is considered, and possibly revised, the IRT suggested form complaint should also be reviewed and revised as needed, if they remain applicable.

The URS Dispute Resolution Provider(s) (URS-DRP), should be independent from ICANN. Criteria for selection of a URS-DRP, and the “Examiners” chosen for each URS proceeding, would include intellectual property expertise since this process is intended to be invoked by trademark holders, and a determination of trademark rights would be assessed. These Examiners will possess the same skill set as required for UDRP determinations or, for example, the Nominet Summary Decision model. Whether one or multiple providers are ultimately selected, it is clear that any provider must have the technical stability to administer the URS, and the Examiners must have substantive expertise, so that the goal of expedited URS proceedings is realized.

URS service provider(s) will be selected through an open and transparent process to ensure that low costs and reliable, consistent service will be provided to all parties to URS proceedings. The provider(s) will not be under contract to ICANN but will be designated by ICANN as approved provider(s). The provider(s) revenue will flow from fees paid by complainants. The provider(s) will set the fees. The designation will be renewed periodically to ensure cost and service levels are maintained or improved.

Set forth below is a preliminary version of the Uniform Rapid Suspension System (URS) Procedure proposal describing how the process could work from filing to resolution. This proposal is meant to encourage comment and discussion. The following is an outline of the procedure still under review, and is not meant to be comprehensive. It does, however, reflect an attempted balancing of comments

received to date.

In the implementation shown below, adoption of the URS is recommended as a best practice for new gTLD registry operators. This means that it is believed to add value to a TLD and to the namespace generally; however, it is not a contractual requirement. In the event that the URS is specified as a best practice, the relevant section of the evaluation criteria in the Applicant Guidebook would be modified to include the question, criteria and scoring shown in this document, to be incorporated into the overall scoring model in the evaluation of all new gTLD applicants. I.e., the URS, if adopted, will be published in the Applicant Guidebook and a point could be awarded in the evaluation for those who agree to adopt the URS. New gTLD applicants would be incented to adopt the URS based on the scoring advantage. However, a score of one on the question is not required for the gTLD applicant to pass the evaluation.

The URS is essentially an interim implementation solution until and if policy development work in this area is undertaken by the GNSO which may adopt this or a similar system for use by all registries. The GNSO will be given an opportunity to adopt this or an alternative solution to address the concerns that implementation of the URS is proposed to address.

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PART I - DRAFT UNIFORM RAPID SUSPENSION SYSTEM ("URS") PROCEDURE

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1. Filing a Complaint

- 1.1 Proceedings are initiated by filing a Complaint outlining the trademark rights and the actions complained of entitling the trademark owner to relief.
- 1.2 Each Complaint must be accompanied by the appropriate fee, which is under consideration. The fees will be non-refundable.
- 1.3 One Complaint is acceptable for multiple related companies against one registrant, but only if the companies complaining are related. Multiple Registrants can be named in one Complaint only if it can be shown that they are in some way related. There will not be a minimum number of domain names imposed as a prerequisite to filing.
- 1.4 Contents of the Complaint
 - a) Name, email address and other contact information for the Complaining Party (Parties);
 - b) Name, email address and contact information for any person authorized to act on behalf of Complaining Parties; Name of registrant (i.e. relevant information available from Whois) and any available contact information;
 - c) The specific domain name(s) that are the subject of the Complaint. For each domain, the Complainant should include a copy of the currently available Whois information and a copy of the web site content associated with each domain name that is the subject of the Complaint;
 - d) The specific trademark/service marks upon which the Complaint is based and pursuant to which the Complaining Parties are asserting their rights to them, for which goods and in connection with what services.
 - e) A description of the grounds upon which the Complaint is based setting forth facts showing that the Complaining Party is entitled to relief. The standard is similar to the UDRP standard, but with a higher burden of proof, i.e., that the registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; and that the registrant has no legitimate right or interest to the domain name and/or; the domain was registered and is being used in bad faith.

To meet the standard, all relevant factors should be identified, including facts which support that the Registrant, such as:

- i. is not known by the name in the domain;
- ii. is not engaged in the bona fide use of the domain;
- iii. has no relationship with the owner of the trademark(s) identified in the domain name;
- iv. is not authorized by the owner of the trademark(s) identified in the domain name to use the domain;
- v. has engaged in the sale of domain names incorporating the trademarks of others for profit;
- vi. has engaged in the registration, use, or traffic of domain names for the purpose of disrupting the business of another.

Finally, the Complainant will attest that the Complaint is not being filed for any improper basis and that there is a sufficient good faith basis for filing the Complaint.

2. **Fees**

Fees will be charged by the URS provider. Fees are thought to be in the range of USD 300 per decision, but will ultimately be set by the provider. This is based upon estimation of experts, including panelists making decisions in similar environments, the Nominet summary model, and the opportunity to streamline through re-registration. Fees are not “loser pays.” Given the nature of expected disputes in this venue, it is thought, more often than not, that no response to complaints will be submitted and the costs of recovering the relatively small fees will exceed their value.

3. **Initial Review**

Complaints will be subjected to an initial review or examination by the URS-DRP for compliance with the filing requirements. This is simply a review to determine that the Complaint contains all of the necessary information, and is not a determination as to whether a *prima facie* case has been established.

4. **Notice and Locking of Domain**

4.1 The URS-DRP must first notify the registry operator (via email and possibly other method(s) under consideration) within 24 hours after the Complaint has been deemed compliant with the filing requirements. Within 24 hours of receipt of that Notice from the URS-DRP, the registry operator shall “lock” the domain, meaning the registry shall restrict all changes to the registration data, including transfer and deletion of the domain names, but the name will continue to resolve. The registry operator will notify the URS-DRP immediately upon locking the domain name.

- 4.2 Within 24 hours after receiving notice from the registry operator that the domain name is locked, the URS-DRP shall notify the Registrant of the Complaint, providing a copy of the Complaint, and advising of the locked status, as well as the effects if the registrant fails to respond and defend against the Complaint. Electronic, paper and fax notices will be sent to the Registrant by the URS-DRP at the addresses listed in the Whois contact information (the proposed timing of the non-electronic notices are still under consideration). The URS-DRP shall also notify the registrar of record for the domain name at issue via the addresses the registrar has on file with ICANN.

5. The Response

- 5.1 A Registrant will have 14 days from the date the URS-DRP sent its Notice to the Registrant to file and serve a Response. [It has been proposed that a Response fee shall be due with the Response only if the Response relates to 26 or more domain names being challenge in the Complaint. This proposal, along with whether the Response fee would be refundable if the Registrant prevails is still under consideration.]
- 5.2 Upon request by the Registrant, a limited extension of time to respond may be granted by the URS-DRP if there is a good faith basis for doing so and it does not harm the Complainant. In no event shall the extension be for more than seven (7) calendar days.
- 5.3 The content of the Response should include the following:
- Confirmation of Registrant data.
 - Specific admission or denial of each claim;
 - Any defense which contradicts the Complainant's claims;
 - A statement that the contents are true and accurate.
- 5.4 In keeping with the intended expedited nature of the URS and the remedy afforded to a successful Complainant, affirmative claims for relief by the Registrant will not be permitted except for an allegation that the Complainant has filed an abusive Complaint.
- 5.5 Once the Response is filed, and the URS-DRP determines that the Response is compliant with the filing requirements of a Response, the Complaint, Response and supporting materials will be sent to a qualified Examiner, selected by the URS-DRP, for review and Determination.

6. Default

- 6.1 If at the expiration of the 14-day Response period (or extension period if granted), the Registrant does not submit a Response, the Complaint proceeds to Default. If the Response is determined not to be in compliance with the filing requirements, Default is also appropriate.
- 6.2 In either case, the URS-DPR shall provide notice of Default via email to the Complainant and Registrant, and via mail and fax to Registrant. During the Default period, the Registrant will be prohibited from changing content found on the site to argue that it is now a legitimate use and will also be prohibited from changing the Whois information.

6.3 All Default cases, however, proceed to Examination. Some form of relief from Default seems appropriate under limited circumstances, and is the subject of further review.

7. Examination Standards

The standards that the qualified Examiner shall apply when rendering its Determination are whether:

- The registered domain name is identical or confusingly similar to a mark in which the Complainant holds a valid registration issued by a jurisdiction that conducts a substantive examination of trademark applications prior to registration; and
- The Registrant has no legitimate right or interest to the domain name; and/or
- The domain was registered and is being used in a bad faith.

While the standards set out above are the same as for a UDRP proceeding, the burden of proof calling for clear and convincing evidence is intentionally higher given that the URS is meant only for the most clear-cut blatant case of infringing conduct.

8. Determination

- 8.1 There will be no discovery or hearing; the evidence will be the materials submitted with the Complaint and the Response, and those materials will serve as the entire record used by the Examiner to make a Determination.
- 8.2 If the Complainant satisfies the burden of proof, the Examiner will issue a Determination in favor of the Complainant. The Determination will be published on the URS-DRP's website. However, there should be no other preclusive effect of the Determination other than the URS proceeding to which it is rendered.
- 8.3 If the Complainant does not satisfy the burden of proof, the URS proceeding is terminated and full control of the domain name registration shall be returned to the Registrant.
- 8.4 Determinations resulting from URS proceedings will be publicly available thereby giving further notice to the next Registrant that the domain was the subject of a URS proceeding.
- 8.5 Absent extraordinary circumstances, Determinations should be issued no later than 14 days after the Response is filed.

9. Remedy

If the Determination is in favor of the Complainant, the domain name shall be suspended for the balance of the registration period. It will point to a site with a standardized post stating that it was suspended as a result of a URS proceeding. The Whois record shall be revised to reflect that the domain name is on hold and cannot be transferred for the life of the registration.

10. Abusive Complaints

- 10.1 A limited counterclaim is available to a Registrant that can show the Complaint has been filed for a fraudulent or improper purpose.
- 10.2 If a Complainant has been held to have filed abusive complaints on three occasions, the Complaint shall be barred from utilizing the URS for one-year following the date the last of the three Complaints was determined to be abusive. [Defining Abusive Complaints remains under consideration.]
- 10.3 A finding of abuse can be appealed and will be reviewed to determine solely if the Examiner abused his/her discretion, or acted in an arbitrary or capricious manner.

11. Appeal

If a Determination is in favor of the Complainant, it has been proposed that the Registrant be allowed to appeal in one of two ways:

- a) Request reconsideration with an ombudsman on the grounds that the decision was arbitrary and capricious, or an abuse of discretion by the Examiner, although further details on such an appeal process to an ombudsman is needed and is the subject of further consideration; or
- b) Appeal into a court of competent jurisdiction.

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PART II - DRAFT APPLICANT GUIDEBOOK EXCERPTS (MODULE 2)

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In the guidebook excerpt shown below, adoption of the URS is recommended as a best practice for new gTLD registry operators. This means that it is believed to add value to a TLD and to the namespace generally, however, it is not a contractual requirement. The practical effect is that, as a best practice, the URS question is optional, i.e., the question is scored but the applicant can score '0' points on the question and still pass the evaluation. Adoption of URS is encouraged but not required or necessary to pass. In the event that it is decided that the URS is included in the evaluation criteria as a best practice, the relevant section of the evaluation criteria would be modified to include the question, criteria and scoring shown below, to be incorporated into the overall scoring model in the evaluation of all new gTLD applicants.

To incorporate the URS as a best practice, the relevant section in Module 2 of the guidebook would be amended as follows:

2.1.2.1 Technical/Operational Review

In its application, the applicant will respond to a set of questions intended to gather information about the applicant's technical capabilities and its plans for operation of the proposed gTLD.

Applicants are not required to have deployed an actual gTLD registry to pass the Technical/Operational review. It will be necessary, however, for an applicant to demonstrate a clear understanding and accomplishment of some groundwork toward the key technical and operational aspects of a gTLD registry operation. Subsequently, each applicant that passes the technical evaluation and all other steps will be required to complete a pre-delegation technical test prior to delegation of the new gTLD. Refer to Module 5, Transition to Delegation, for additional information.

As part of the technical/operational section of the application, all applicants are required to describe their proposed mechanisms for protecting existing rights in the TLD, to ensure that the proposed mechanisms will meet contractual requirements. These rights protection mechanisms include:

- (i) Use of data from the Trademark Clearinghouse. New gTLD registry operators have the option of implementing either:
 - (a) a Trademark Watch service, or
 - (b) a Sunrise Period to address rights protection in the initial launch phases of the TLD. Registry operators must use the validated data from the clearinghouse for these two services. Applicants must

describe their proposed implementation of the option chosen.

- (ii) Adoption of the Uniform Rapid Suspension system (URS). The URS complements the UDRP by providing a faster means to resolve clear-cut cases of rights infringement, and is recommended for all new gTLDs as a best practice. Applicants must describe their proposed implementation for URS in the TLD, if they elect to adopt it.

In addition, the Evaluation Criteria, included as an attachment to Module 2, would be modified to read as follows:

#	Question	Scoring Range	Criteria	Scoring
36	<p>OPTIONAL. Rights Protection Mechanisms: URS</p> <p>(a) If the applicant will participate in the Uniform Rapid Suspension system (URS), describe the plans for implementation of URS policies and procedures in the TLD, and for compliance with determinations resulting from URS proceedings.</p>	1-0	<p>URS is an optional service, recommended as a best practice for gTLD registry operators. For applicants that respond to this question with plans for implementation of URS at the time of launch, complete answer demonstrates:</p> <ol style="list-style-type: none"> 1. Highly developed and detailed procedures for implementation of URS in the TLD; 2. Proposed procedures are adequately resourced in the planned costs and are consistent with the overall business approach described in the application; and 3. Proposed procedures, when executed in accordance with the Registry Agreement, are sufficient to meet contractual requirements. 	<p>1 – Meets Requirements Response includes:</p> <ol style="list-style-type: none"> (1) Applicant provides adequate level of detail to substantially demonstrate capability and knowledge required to meet this element; (2) When executed in accordance with the Registry Agreement, Applicant’s plans are sufficient to result in compliance with the requirements in the agreement; and (3) Policies and procedures are commensurate with overall business approach as described in the application. <p>0 – Fails Requirements Does not meet the requirements to score 1.</p>

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PART III – DRAFT REGISTRY AGREEMENT EXCERPTS (MODULE 5)

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In accordance with the URS implementation above, the registry agreement would be modified as follows:

If Registry Operator indicated in its gTLD application that it would implement the Uniform Rapid Suspension system (“URS”), then it will be required to adopt and implement the URS, as in effect from time to time, including implementation of determinations resulting from URS proceedings.

ICANN encourages comment on the interim language provided here. This language is for discussion only, and has not yet been incorporated into the Applicant Guidebook. Comments will be considered for the next version of full draft Applicant Guidebook.