



**BRIEFING ON THE TRADEMARK POST-DELEGATION
DISPUTE RESOLUTION PROCEDURE**
Review of All Rights Protection Mechanisms (RPM)
PDP Working Group Meeting
8 June 2016

1. What is the Trademark Post-Delegation Dispute Resolution Procedure?

- It is a dispute resolution procedure that can be used by trademark owners to address situations where a Registry Operator's use or operation of its gTLD leads to trademark infringement within that gTLD
 - Includes trademark infringement at both the top and second levels of a gTLD
 - Provides a trademark owner with an alternative administrative mechanism to court proceedings
- It is one of several post-delegation dispute resolution procedures that were developed for the 2012 New gTLD Program Round
 - Others deal with Registration Restrictions (RRDRP) and Public Interest Commitments (PICDRP)
- It allows the trademark owner to take a dispute directly to the Registry Operator
 - The domain name registrant and registrar are not involved even where the infringement occurs at the second level of the gTLD
- These procedures and their Determinations are binding on New gTLD Registry Operators through the Registry Agreement
- It differs in intent and scope from other trademark-related dispute resolution mechanisms (e.g. UDRP, URS)

Who are the appointed Providers for this PDDRP?

- The Asian Domain Name Dispute Resolution Center (ADNDRC) - http://www.adndrc.org/mten/TM-PDDRP_index.php?st=5
- The National Arbitration Forum (FORUM) - <http://domains.adrforum.com/>
- The World Intellectual Property Organization (WIPO) - <http://www.wipo.int/amc/en/domains/tmpddrp/>

2. What is the substantive scope of the Trademark PDDRP?

- Covers situations where a Registry Operator's use or operation of a gTLD infringes a trademark, or its conduct shows a bad faith intent to profit from registrations in the gTLD
- Does not cover scenarios where a Registry Operator may be on notice, i.e.: (i) infringing names are in its gTLD registry; or (ii) the Registry Operator knows that infringing names are in its registry; or (iii) the Registry Operator did not monitor registrations within its registry
- Standard of proof = clear and convincing evidence (burden to be on Complainant)

For infringement at the top level:

- *Trademark owner must show that **Registry Operator's affirmative conduct in its operation or use of its gTLD string (which is identical or confusingly similar to the complainant's mark), causes or materially contributes to the gTLD infringing the complainant's mark***

For infringement at the second level:

- *Trademark owner must show that, **through the Registry Operator's affirmative conduct, there is a substantive pattern or practice of specific bad faith intent to profit from the sale of domain names that infringe the complainant's trademark***

3. What constitutes infringement under the Trademark PDDRP?

- Top level - clear and convincing evidence that Registry Operator's affirmative conduct ***causes or materially contributes*** to
 - (a) taking unfair advantage of the distinctive character or reputation of the complainant's mark; or
 - (b) impairing the distinctive character or reputation of the complainant's mark; or
 - (c) creating a likelihood of confusion with the complainant's mark
- Second level – clear and convincing evidence, by Registry Operator's affirmative conduct, of:
 - (a) a ***substantial pattern or practice of specific bad faith intent*** by the registry operator to profit from the sale of trademark infringing domain names; or
 - (b) the Registry Operator's ***bad faith intent to profit from the systematic registration of domain names*** within the gTLD ***that are identical or confusingly similar to the complainant's mark***, which:
 - (i) takes unfair advantage of the distinctive character or the reputation of the complainant's mark; or
 - (ii) impairs the distinctive character or the reputation of the complainant's mark, or
 - (iii) creates a likelihood of confusion with the complainant's mark.

4. What are the limits of infringement under the Trademark PDDRP?

- **Not sufficient** to show that the registry operator is on notice of possible trademark infringement simply through there being infringing registrations in the gTLD
- **No liability** with respect to a domain name registration that:
 - (i) is registered by a person or entity unaffiliated with the Registry Operator;
 - (ii) is registered without the direct or indirect encouragement, inducement, initiation or direction of any person or entity affiliated with the Registry Operator; and
 - (iii) provides no direct or indirect benefit to the Registry Operator other than the typical registration fee (which may include other fees collected incidental to the registration process for value added services such enhanced registration security)

5. What are the procedural steps involved in a Trademark PDDRP?

Several procedural layers are involved:

- At least 30 days prior to filing a complaint, TM owner must first notify the Registry Operator in writing of its specific concerns and express willingness to resolve the issue
- Complaint must be filed electronically, and limited to 5000 words & 20 pages (excluding attachments)
- Complainant must pay a non-refundable filing fee within 10 days of filing complaint
- Upon a complaint being submitted, TM-PDDRP Provider will conduct an **Administrative Review** (for procedural compliance) within 5 business days
 - Complainant has 5 business days to amend complaint
 - If deemed compliant, notice is then served on Registry Operator
- A successful Administrative Review is followed by a mandatory **Threshold Review**
 - To determine that complainant satisfies certain specific criteria, including standing
 - Threshold Review is carried out by a single Panelist appointed by the Provider within 5 business days of completion of Administrative Review

6. What does the Threshold Review determine?

- Complainant is a holder of a word mark that:
 - (i) is nationally or regionally registered and that is in current use; or
 - (ii) has been validated through court proceedings; or
 - (iii) that is specifically protected by a statute or treaty at the time the PDDRP complaint is filed

Note - “Use” can be shown either by direct filing or by demonstrating submission and validation by the Trademark Clearinghouse
- Complainant has asserted that it has been materially harmed as a result of trademark infringement; and has asserted facts with sufficient specificity that, if everything asserted is true, states a claim under either the Top Level or Second Level Standards in the Procedure
- Complainant has asserted:
 - (i) That it notified the Registry Operator of its specific concerns and willingness to resolve the matter 30 days before filing;
 - (ii) whether the registry operator responded to the notice; and
 - (iii) if the Registry Operator responded, that the Complainant attempted to engage in good faith discussions to resolve the issue prior to initiating the PDDRP

7. Filing an opposition to a Threshold Review

- Registry Operator has 10 business days (from notice of the complaint) to file papers regarding Complainant's standing
- Complainant has 10 business days to oppose Registry Operator's filing
- Threshold Review Panel has 10 business days – from either date of Complainant's opposition or from due date of Registry Operator's filing if no filing was made – to render a Determination
- PDDRP proceedings will commence on the merits of the case only if the Determination is that Complainant has standing and has complied with the other specified criteria

8. Filing a Response and Reply; Default

- Registry Operator has 45 days (from a successful Threshold Review Determination) to file its **Response**
- Complainant has 10 days from service of the Response to file a **Reply**
 - Reply may not introduce new facts or evidence into the record; only used to address statements made in the Response
 - Any new facts or evidence introduced in a Response disregarded by the Expert Panel.
- Expert Panel convened within 21 days after a Complaint, Response and Reply (if any) filed
- A Registry Operator that fails to file a Response will be deemed to be in Default
 - Limited rights to set aside the finding of default will be established by the Provider, but this requires a showing of good cause to set aside the finding of default
- Provider must provide notice of Default via email to Complainant and Registry Operator
- All Default cases nevertheless proceed to Expert Determination on the merits

9. The Expert Panel; Discovery, Hearings; the Expert Determination

- 1 Panelist appointed unless either party requests a 3-member **Panel**
 - A Threshold Review Panelist cannot serve on the Expert Panel for the same proceeding
 - For 3-member Panels, each party selects a Panelist and these Panelists select the 3rd Panelist
 - A Provider's PDDRP experts should be rotated as far as is feasible
 - Panelists must be independent of the parties
- **Discovery** is at Panel's discretion
 - If allowed, limited to that for which each Party has a substantial need
 - In extraordinary circumstances, Provider may appoint experts (paid for by the parties), request live or written witness testimony, or request limited exchange of documents
- **No hearings** conducted unless requested by a party or determined by the Panel
 - Any hearings should be conducted by video or teleconference as far as possible
 - Hearings should not last more than 1 day except in extraordinary circumstances
- Expert **Determination to be issued in writing** within 45 days of appointment of the Panel
 - Absent good cause, in no event later than 60 days after the appointment of the Panel

10. Remedies in the event of a successful Complaint

- Because registrants are not parties to the PDDRP proceeding, remedies cannot be in the form of deletion, suspension, cancellation or transfer of a domain name
- Panelists may recommend “a variety of graduated enforcement tools” against the Registry Operator, including:
 - Remedial measures (other than monitoring) to ensure against allowing future infringing registrations; or
 - Suspension of accepting new domain name registrations in the gTLD until such time as the violation(s) identified in the Determination is(are) cured or a set period of time; or
 - In extraordinary circumstances where the registry operator acted with malice, termination of a Registry Agreement
- In recommending remedies, Panel to consider ongoing harm to the Complainant, as well as the harm the remedies will create for other, unrelated, good faith domain name registrants operating within the gTLD
- Panel may also determine that Complaint was filed “without merit”

11. Remedies (cont'd); Costs

- Possible sanctions where a Complaint was filed “without merit”:
 - Temporary bans from filing Complaints;
 - Imposition of costs of registry operator, including reasonable attorney fees; and
 - Permanent bans from filing Complaints after being banned temporarily.
- Imposing remedies will be at ICANN’s discretion – but in line with Panel recommendations except in extraordinary circumstances
- PDDRP proceedings costs are “intended to be reasonable” – Provider to estimate in accordance with its Rules
- In addition to a filing fee, Complainant must pay full amount of the Provider estimated administrative fees, the Threshold Review Panel fees and the Expert Panel fees at the outset of the proceedings
 - 50% in cash (or cash equivalent) to cover the Complainant’s share; the other 50% in either cash (or cash equivalent) or bond to cover Registry Operator’s share if it prevails
 - Registry Operator must reimburse Complainant for all Panel and Provider fees incurred if Complainant prevails

12. Appealing an Expert Determination

- Either party may seek **de novo appeal** of a Determination either on liability or remedies
 - Appeal to be based on the existing record within the Trademark PDDRP proceeding for a reasonable fee to cover the costs of the appeal
 - Appeal to be filed with Provider, and notice served within 20 days of the Expert Determination
 - Response to appeal must be filed within 20 days
- Appeals are heard by a 3-member Panel appointed by the Provider
 - Expert Panel member cannot also be a member of the Appeal Panel in the same proceeding
 - A limited right to introduce new, admissible, material evidence allowed upon payment of an additional fee, provided the evidence clearly pre-dates the filing of the Complaint
 - Appeal costs borne by appellant in the first instance; but prevailing party entitled to award of costs of the Appeal

13. Implementation of Remedies; Availability of Court Proceedings; Languages

- ICANN is not to impose recommended remedies for 20 days following initial Expert Determination, to allow for possibility of appeal
 - If appeal filed, imposition to be stayed pending the resolution
- ICANN must wait 10 days after notifying Registry Operator of its imposition of a remedy:
 - To allow Registry Operator to commence court proceedings against the Complainant, or initiate dispute resolution with regard to the remedy under the Registry Agreement
- Court proceedings not precluded by the PDDRP
 - Provider to suspend or terminate PDDRP proceedings if documented proof is submitted that a court action involving the same parties, facts and circumstances was instituted prior to the filing date of the Complaint in the Trademark PDDRP
- All submissions and proceedings under the Trademark PDDRP to be in English
 - Parties may submit supporting evidence in their original language, subject to the authority of the Expert Panel to determine otherwise, provided that such evidence is accompanied by an English translation of all relevant text

QUESTIONS ABOUT THE TM-PDDRP – FOR THE WORKING GROUP

From the Working Group Charter:

- *Is there a policy-based need to address the goal of the TM-PDDRP?*

Note: Charter also includes general questions about the dispute resolution providers of various RPM procedures (e.g. in developing and adopting procedures, consulting with stakeholders, training of Complainants, Respondents and the community)

From Public Comments to the ICANN Staff RPM Paper (2015):

- *“Since there have been no complaint filings ... most comments expressed an inability to provide meaningful feedback; however, commenters encourage ICANN to review it when data becomes available. Furthermore, one comment speculates that these procedures are unlikely to be used, as there may be significant issues in the burden of proof, cost of these proceedings, and with the remedies offered.”*

From George Kirikos (WG call, 1 June 2016):

- *It has never been used so one question could be whether it is broad enough to cover abuses that were not anticipated when it was developed?*

What other questions should be analyzed by the WG?

QUESTIONS ABOUT THE TM-PDDRP – FOR THE PROVIDERS

Some suggested questions:

- How ready are the Providers in the event that a Complaint is filed?
- Have the Providers identified potential Panelists?
- What feedback do the Providers have at this stage, given that the TM-PDDRP has not been used and that the first New gTLD was delegated in October 2013?

What other questions should be asked of the three TM-PDDRP Providers?

- The TM-PDDRP: <http://newgtlds.icann.org/en/applicants/agb/pddrp-04jun12-en.pdf>
- The TM-PDDRP Rules: <http://newgtlds.icann.org/en/applicants/agb/pddrp-rules-15oct13-en.pdf>
- Information about all three post-delegation dispute resolution procedures and related archival material: <https://newgtlds.icann.org/en/program-status/pddrp>