

## SUMMARY OF WORKING GROUP DISCUSSIONS ON TM-PDDRP

### A. COMPILATION OF WORKING GROUP MEMBER ISSUES AND CONCERNS WITH SUGGESTIONS RAISED ON THE LIST ABOUT POSSIBLE CHANGES TO THE TM-PDDRP (updated 21 July 2016)

#### I. Does the TM-PDDRP provide sufficient mechanisms for review and possible resolution of problems prior to the filing of the TM-PDDRP?

(1) **Current requirement: at least 30 days prior to filing the Complaint, the Complainant must notify “the registry operator in writing of: (i) its specific concerns and specific conduct it believes is resulting in infringement of Complainant’s trademarks and (ii) its willingness to meet to resolve the issue.”**

(2) **Some indication that ICANN Compliance may be providing an avenue for early complaints and possible resolution.**

(3) **Do you think this is an issue/concern the WG should address? If so, what should be changed/improved about the TM-PDDRP? What should not be changed?**

##### i. **Suggestions relating to Mediation from WG list:**

- a) Mediation as part of the process. Introduce *online mediation* as a natural part of the initial phase (adding to PDDRP Section 7.2.3(d) (requiring TM owner to notify registry operator about its specific concerns and indicating willingness to meet to resolve the issue).
- b) Mediation at the request of the registry operator. The Registry may believe that there is some misunderstanding between the Complainant and itself when the PDDRP is initiated. In that instance, upon receiving the Complaint, the Registry should be able to initiate non-binding Mediation within the confines of the PDDRP. The Mediation should occur within a reasonable time from the Registry’s request (perhaps 30 days). If the Mediation is successful, the PDDRP process will end. If the Mediation is not successful, the current process under the PDDRP will continue.

Discussion thus far on the WG list:

- Mediation is a great idea (effective, reduces number of complaints that proceed) but it should be a process of the UDRP as it is the primary dispute resolution procedure.
- Both complainant and respondent will have already spent the time and money to file the complaint and response – better to structure the proposal to permit mediation on a

skeletal complaint; upon failure of the mediation the complainant would have the right to file a formal complaint which would then proceed to the panel.

#### **ADDITIONAL QUESTIONS/TENTATIVE AGREEMENT:**

- **Mediation should be optional, not mandatory (but should refusal to mediate be something the panel can take into consideration e.g. in awarding costs?) Consider adding Policy Statement to encourage (but not compel) mediation to the TM-PDDRP**
- **Mediation should be done online (for reasons including cost concerns, efficiency and time considerations)**
- **Procedural requirements for mediation should be mean and lightweight – e.g. skeletal complaint only**
- **Should mediation always be confidential and without prejudice?**
- **Should mediation option be made available before a complaint is filed (e.g. immediately after the close of the mandatory pre-filing notification period) or after?**
  - **Benefit of the latter – full issue list will already be available; may avoid gaming; Provider will already be involved; filing of complaint could be a sort of “threshold requirement” so as to provide incentive to mediate on both sides**
- **Should parties be obliged to only use mediation services of the existing TM-PDDRP Providers?**

#### **NEXT STEPS:**

- **Seek input from Nominet and other experienced mediation/negotiation/dispute resolution providers –e.g. JAMS**

## **II. Are requirements for filing a TM-PDDRP Complaint too narrow?**

- (1) **Currently, rules provide for an individual Complainant with its “particular legal rights”.**
- (2) **Do you think this is an issue/concern the WG should address? If so, what should be changed/improved about the TM-PDDRP? What should not be changed?**

**i. Suggestions for a “Class Action” option from WG list:**

- a) Consider possibility of introducing “class action” – at least regarding second level complaints.
- b) Consider some other form of ability to join an action, or consolidate cases.

Discussion thus far on the WG list:

- Class actions already exist to the extent of commonality of registrant (a low threshold). Suggest not adding to this as it greatly increases the burden of the panelists (who are on a fixed fee) and will lead to lax decision making as a natural consequence of not having sufficient time to deal with every domain in the class.
- Need to take care that multiple joined brand owners do not overwhelm resources of a small registry (need to ensure registry is well-represented).
- Note that PDDRP may already contemplate consolidated complaints (at least implicitly).

#### ADDITIONAL QUESTIONS/TENTATIVE AGREEMENT:

- A complaint currently does not seem to be made public after it is filed – but this may be necessary information in making a decision to join the action.
- Need to consider what the practical burdens are for TM owners and respondents as well as registries and possibly even registrars.
- Avoid using the term “class action” – as this is generally understood to be a situation where a single complainant represents others similarly situated, and is thus different from “consolidation” or “joinder” of actions. Note that consolidation of complaints seems to already be contemplated not just in the UDRP and URS but also in 13.3 of PDDRP Rules. May be more accurate to describe this option as enabling “multiple consenting complainants”.
- Will a second TM-PDDRP complaint be precluded if the registry wins a previous class action complaint?
- What sources should the WG consult for input/additional information on the advisability of adding this specific option?  
Suggestions thus far:
  - ICANN Compliance for registry/registrar enforcement (types, numbers, results)
  - Other similar investigations (e.g. RICO-type proceedings)
- Should complaints about targeting multiple TLDs simultaneously be permitted in a single dispute? Or where different TLDs have common ownership?

#### III. Is the TM-PDDRP too difficult to access? Is it not being used because the burdens are too high or the remedies too uncertain?

- (1) Current requirements for the Complaint, Burden of Proof and Remedies are set out in Sections 7, 17 and 18 of the TM-PDDRP rules (<https://newgtlds.icann.org/en/program-status/pddrp>)
  - (2) Do you think this is an issue/concern the WG should address? If so, what should be changed/improved about the TM-PDDRP? What should not be changed?
- i. Suggestions relating to whether “Substantial Infringement” by Registries exists in the market today (from the WG list):

Discussion thus far on the WG list:

- On “substantial” infringement – Selling registrations is a low profit, high-volume business; not clear additional burdens should be imposed on registrars. Policing TM violations has a cost, but should the rest of the world suffer this cost for the benefit of the IP rights holders? Should this be something ICANN has to deal with under its registrar accreditation program instead?
- On “bad faith intent - Important to note that the PDDRP does not cover profiting from simple trademark infringement at the second level, but only covers the second level when “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.” The PDDRP is meant to address true bad-faith actors, not Registries that simply have some infringing names under management.
- If class action option is introduced, may have to make it possible to show infringement for second level complaints where a registry operator has a pattern or practice of actively and systematically encouraging registrants to register second level domain names and to take unfair advantage of the trademark to the extent and degree that bad faith is apparent, and/or where a registry operator has a pattern or practice of acting as the registrant or beneficial user of infringing registrations, to monetize and profit in bad faith.

Additional avenues for information should the WG choose:

- Do a community survey to ask if there are any registries or registry operators that are either actively encouraging or turning a blind eye to substantial infringement (note: need to define what substantial is). If specific feedback is received, WG could look at whether there is any correlation between a greater percentage of infringement and domain pricing (e.g. a number of new registries give domains away for free or very low prices - bad actors may be attracted by the very low cost of entry).

**ii. Suggestions relating to whether the WG should change the standard and burden of proof in the TM-PDDRP (from the WG list):**

- a) Lower the standard of proof required.
- b) Change standard of liability to a “willful blindness” or “knew or should have known” standard along with the addition of a safe harbor provision which would insulate registrars that took certain actions in response to complaints from liability, (e.g., something along the lines of the limitations on liability in the US’ Digital Millennium Copyright Act).

Discussion thus far on the WG list:

- Since the remedies that can be recommended under the PDDRP can be quite extreme, it is important that the Complainant's burden of proof remain high. Accordingly, the Clear and Convincing Evidence standard currently used in the PDDRP is proper.

**iii. Suggestions as to whether WG should strengthen and/or clarify remedies under the TM-PDDRP (from the WG list):**

- Look at sufficiency of relief. Are current remedies too weak/non-specific to justify expense? Consider adding/introducing more meaningful remedies.
- Improve clarity in certain areas. Section 18.6 of the PDDRP states "Imposition of remedies shall be at the discretion of ICANN, *but absent extraordinary circumstances*, those remedies will be in line with the remedies recommended by the Expert Panel." The PDDRP does not appear to set forth what circumstances might be considered "extraordinary." In the event ICANN deviates from a Panel recommendation, is there a mechanism to challenge the deviation within the PDDRP (instead of dispute resolution under the RA)? Is it possible that ICANN could adopt harsher penalties rather than what was adopted by the Panel?

**iv. Suggestion relating to whether WG should require additional Pre-Complaint Notification (from the WG list):**

- Improve notice requirement. The notice should also specify the goods/classes in which the asserted TM is registered AND contain a link to a public source to determine the classifications.

**v. Suggestion regarding whether WG should change the Time Limit for filing a Complaint (from the WG list):**

- Limit filing of complaint till after General Availability.

**B. WHAT TYPES OF QUESTIONS MIGHT THE WG POSE TO ICANN COMPLIANCE, EXTERNAL LEGAL COUNSEL AND OTHER APPROPRIATE PARTIES; AND WOULD “USE CASES” BE APPROPRIATE?**

Responses from the WG List:

- Yes (conditional), if there are realistic scenarios that members believe are reasonably likely to be encountered.
- Yes, specifically related to how it would work if put into practice so that it may be improved in a way to encourage its actual use.
- No, although a great idea they require a great deal of time and are largely met with "I will not respond to a hypo" type responses we heard the other day. Of the disputes 99.99% are simple easy fact patters. However, these do not typically generate the "issues". The remainder are all factually intensive and answering one by way of a use case may not necessarily answer the others.

**C. ADDITIONAL ISSUES, CONCERNS AND SUGGESTIONS RAISED BY WG MEMBERS**

- Apply rule that “first, do no harm.” Insufficient information currently available to determine whether TM-PDDRP is not being used because it’s significantly flawed, or because the scenario for which it was designed has not occurred.
- Disagree that WG’ objective here is to make the TM-PDDRP “more useful to trademark owners.” Before adopting that as a goal, we should be sure that (1) TM owners need something more from ICANN and (2) the TM-PDDRP is the right place to give it to them. We have limited information on either; the closest we have on (1) is that there have been inquiries about the TM-PDDRP that were not pursued, but we have no idea what that means, whether those inquiries dealt with legitimate problems or misunderstandings, whether the problems if any were resolved some other way, etc. Perhaps only a general call for any reports of systematic registry operator misbehavior would provide data on (2).
- For Provider follow up - What type of determinations/decisions will be given precedence in a PDDRP dispute? For example, will UDRP decisions be given precedence or weight? What about court decisions/case law?
- For follow up with RySG - Has the informal pre-complaint notification procedure ever been invoked? If so, were issues resolved without there being a need to invoke the TM-PDDRP?