

Rights Protection Mechanisms

(DTnote: Working version 18/10/2017 D Taylor after discussion on the CCTRT Plenary call #60 of 11/10/17) and including input from LK and AM and further DT amendments Doc 1777354.5

New rights protection mechanisms (RPMs) were specifically developed in connection with the introduction of the New gTLD Program alongside existing rights protection mechanisms. The CCT Review Team examined whether these RPMs help encourage a safe environment and promoted consumer trust in the DNS and also sought to measure the costs impact of the New gTLD Program to intellectual property owners.

The RPMs themselves are firstly described for completeness before we move on to a consideration of these mechanisms and whether they have helped mitigate the issues around the protection of trademark rights and consumers in this expansion of gTLDs. It was clear that the CCT Review Team faced difficulties in obtaining reliable data to make this assessment, turning primarily to the data obtained by ICANN under the CCT Metrics Reporting¹ and the INTA Impact Study² as well as existing data and commentary from the ICANN Rights Protection Mechanisms Review and the Independent Review of Trademark Clearinghouse (TMCH) Services Revised Report³

The CCT Review Team also noted the parallel work by the ongoing Working Groups currently looking into RPMs and sought not to duplicate or undermine that work and thus looks forward to the reports from those groups.

Background to the RPMs

Prior to the 2012 gTLD expansion in the number of gTLDs, aside from action taken by courts, the main rights protection mechanism for the DNS was the UDRP, an alternative dispute resolution procedure (adopted by ICANN on 26 August 1999) that applied to all generic top-level domains. However, the existence of issues concerning trademark protection were identified prior to the 2012 gTLD expansion in particular the trademark community had voiced concerns that this mechanism alone would be insufficient to adequately protect trademark rights and consumers in an expanded DNS. The ICANN Board therefore resolved (2009.03.06) that an internationally diverse group of persons with knowledge, expertise and experience in the fields of trademark, consumer protection, competition law and the interplay of trademarks and the DNS be convened to propose solutions to the overarching issue of trademark protection in connection with the introduction new gTLDs⁴. This group was named the Implementation Recommendation Team (IRT).

A set of new rights protection mechanisms were proposed by IRT, namely: Uniform Rapid Suspension System (URS); Post-Delegation Dispute Resolution Procedures (PDDRP); the Trademark Post-Delegation Dispute Resolution Procedure (TM-PDDRP); Registry Restriction Dispute Resolution Procedure (RRDRP);

¹ ICANN, "Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting," accessed 10 October 2017, <https://www.icann.org/resources/reviews/cct/metrics>

² INTA Impact Study: [https://community.icann.org/download/attachments/56135378/INTA Cost Impact Report revised 4-13-17 v2.1.pdf](https://community.icann.org/download/attachments/56135378/INTA_Cost_Impact_Report_revised_4-13-17_v2.1.pdf)

³ TMCH Revised report <https://www.icann.org/news/announcement-2017-02-23-en>

⁴ ICANN, "Adopted Board Resolutions: Mexico: Protections for Trademarks in New gTLDs," 6 March 2009, <https://www.icann.org/resources/board-material/resolutions-2009-03-06-en#07>.

Public Interest Commitments Dispute Resolution Procedure (PICDRP); and the Trademark Clearinghouse (Sunrise and Claims Service)⁵.

Description of the RPMs

Uniform Domain Name Dispute Resolution Policy (UDRP)

The Uniform Domain Name Dispute Resolution Policy (UDRP) is an alternative dispute resolution procedure adopted by ICANN on 26 August 1999 that applies to all generic top-level domains (gTLDs), including legacy gTLDs (such as .com, .net, .info) as well as new gTLDs, and certain country code top-level domains (ccTLDs) that have adopted it. To be successful under the UDRP, a complainant must demonstrate by preponderance of the evidence the following three requirements: (i) the domain name registered by the respondent is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and (ii) the respondent has no rights or legitimate interests in respect of the domain name; and (iii) the domain name has been registered and is being used in bad faith.

A procedure under the UDRP takes approximately 2 months, from the filing of a complaint to a decision. Costs for filing a complaint under the UDRP range between USD 1,500 for 1 to 5 domain names (single-member panel) and USD 4,000 for 1 to 5 domain names (three-member panel), excluding lawyers' fees. The remedies available under the UDRP are limited to the transfer or cancellation of a domain name. No damages are awarded and there is no appeal mechanism in place. A decision is generally implemented after 10 business days following the notification of the decision, unless court proceedings are initiated in a court of competent jurisdiction.

UDRP complaints are filed electronically with an ICANN-approved dispute resolution provider. To date, the following providers have been approved by ICANN: the Asian Domain Name Dispute Resolution Centre (ADNDRC), the Forum (NAF), World Intellectual Property Organization (WIPO), the Czech Arbitration Court Arbitration Center for Internet Disputes (CAC) and the Arab Center for Domain Name Dispute Resolution (ACDR).

Uniform Rapid Suspension System (URS)

The Uniform Rapid Suspension System (URS) is an alternative dispute resolution procedure launched in 2013 that was originally designed for clear-cut cases of cybersquatting under new generic top-level domains (gTLDs), although it has been voluntarily adopted by a handful of ccTLDs and “sponsored” TLDs (such as .pw, .travel, .pro and .cat). The substantive requirements under the URS are similar to those under the UDRP, although the required burden of proof is heavier (“clear and convincing evidence,” as opposed to “preponderance of the evidence”). A complainant must thus prove the following three requirements: (1) that the domain name is identical or confusingly similar to a word mark: (a) for which the Complainant holds a valid national or regional registration and that is in current use or (b) that has

⁵ In addition, string contention processes were introduced for applications for the gTLDs themselves, relating to string confusion, limited public interest, community objection and legal rights objection. These are discussed in more detail in the Application and Evaluation section.

been validated through court proceedings or (c) that is specifically protected by a statute or treaty in effect at the time the URS complaint is filed (1.2.6.1 of the URS); (2) that the registrant has no rights or legitimate interests in the domain name; and (1.2.6.2 of the URS) and (3) the domain name was registered and is being used in bad faith (1.2.6.3 of the URS). Complaints are limited to 500 words. The URS is intended for the most clear-cut cases of cybersquatting and so it is generally not appropriate for domain name disputes involving more complex, genuine contestable issues (such as fair use).

The only remedy available under the URS is the suspension of the domain name, as opposed to the transfer or cancellation (which are remedies available under the UDRP).

Under the URS a domain name may be suspended in as quickly as three weeks from the filing of a complaint. In the event of a favourable decision for the complainant, the domain name is suspended for the remainder of the registration period (which may be extended for an additional year). The website associated with the domain name in question will display a banner stating "This Site is Suspended" but the WHOIS for the domain name will continue to display the information of the original registrant (except for the redirection of the name servers). If the decision in favor of the complainant was a judgment by default, the registrant may seek a de novo review by filing a response up to six months after the notice of default (which may be extended by six additional months upon request by the registrant).

In the event the decision is denied, the URS provides for an appeal mechanism based on the existing record.

Costs for filing a URS complaint are around USD 375 (for 1 to 14 domain names).

Only three providers have so far been accredited for the URS: the Asian Domain Name Dispute Resolution Centre (ADNDRC), the Forum (NAF) and MSFD Srl (based in Milan, Italy).

Post-Delegation Dispute Resolution Procedures (PDDRP)

Post-Delegation Dispute Resolution Procedures are rights protection mechanisms that have been designed to provide relief against a new gTLD registry operator's conduct (as opposed to a domain name registrant or registrar). There are three PDDRPs.

The Trademark Post-Delegation Dispute Resolution Procedure (TM-PDDRP) allows a trademark holder to file a complaint against the registry operator for its involvement in trademark infringement either at the top or second level of a new gTLD.

At the top-level, a complainant must demonstrate by "clear and convincing evidence" that "the registry operator's affirmative conduct in its operation or use of a new gTLD that is identical or confusingly similar to the complainant's trade mark, causes or materially contributes to the gTLD doing one of the following: (1) taking unfair advantage of the distinctive character or the reputation of the complainant's trade mark or (2) impairing the distinctive character or the reputation of the complainant's trade mark; or (3) creating a likelihood of confusion with the complainant's mark" (paragraph 6.1 of the TM-PDDRP).

At the second level, complainants are required to demonstrate by "clear and convincing evidence" that "through the registry operator's affirmative conduct: (a) there is a substantial pattern or practice of

specific bad faith intent by the registry operator to profit from the sale of trade mark infringing domain names; and (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 trade mark; or (ii) impairs the distinctive character or the reputation of the complainant's trade mark, or (iii) creates a likelihood of confusion with the complainant's trade mark" (paragraph 6.2 of the TM-PDDRP).

If the registry operator is found liable by the expert panel, a number of remedies may be recommended, including remedial measures to prevent future infringing registrations; suspension of accepting new domain name registrations in the gTLDs at stake until the violation has ceased or for a set period of time prescribed by the expert; or termination of the Registry Agreement, in extraordinary circumstances, where the registry operator has acted "with malice" (paragraph 18 of the TM-PDDRP). Ultimately, ICANN has the authority to impose the remedies it deems appropriate, if any.

To date, ICANN has appointed the following dispute resolution providers to resolve disputes under the TM-PDDRP: the Asian Domain Name Dispute Resolution Centre (ADNDRC), the Forum (NAF), and World Intellectual Property Organization (WIPO).

Registry Restriction Dispute Resolution Procedure (RRDRP), allows an established institution to file a complaint against a community-based new gTLD registry operator for failing to meet registration restrictions set out in its Registry Agreement. For a claim to be successful, a complainant must demonstrate by "preponderance of the evidence" that: "(i) the community invoked by the objector is a defined community; (ii) there is a strong association between the community invoked and the gTLD label or string; (iii) the TLD operator violated the terms of the community-based restrictions in its agreement; (iv) there is a measureable harm to the Complainant and the community named by the objector." The remedies recommended by the expert panel are similar to those prescribed under the TM-PDDRP. Ultimately, ICANN has the authority to decide whether to impose such remedies.

Public Interest Commitments Dispute Resolution Procedure (PICDRP), allows any person or entity (the "reporter") to file a complaint against a new gTLD registry operator for failure to comply with the Public Interest Commitment(s) in Specification 11 of its Registry Agreement. The Reporter must file a "PIC report" with ICANN by completing an online form. The PIC Report must (1) identify which PIC(s) form the basis for the report; (2) state the grounds for non-compliance with one or more PICs and provide supporting evidence and (3) state how the reporter has been harmed by the alleged noncompliance. ICANN may undertake a compliance investigation or invoke a "Standing Panel." If the registry operator is found to be not in compliance with its PIC, it will have 30 days to resolve its noncompliance. If the registry operator fails to resolve the noncompliance issues, ICANN will determine the appropriate remedies.

Trademark Clearinghouse (TMCH)

The TMCH is a centralized database of verified trademarks from all over the world mandated by ICANN to provide protection to trademark holders under the new gTLDs, established in March 2013. The TMCH

performs several important functions, including authenticating and verifying trademark records, storing such trademark records in a database and providing this information to new gTLD registries and registrars. The data contained in the TMCH supports rights protection mechanisms such as Sunrise Services (which provide an opportunity to trademark holders to register domain names corresponding to their trademarks prior to general availability) and the Trademark Claims services (a notification service to domain name registrants and trademark holders of potentially infringing domain name registrations). Registration of a trademark with the TMCH is required to be able to participate not only in the Sunrise Period and Trademark Claims services but also in other registry-specific rights protection mechanisms such as domain name blocking mechanisms like the Donuts' Domain Protected Marks List (DPML) (although it is optional for other RPMs, such as the URS). The TMCH is therefore an important tool to protect trademark rights under the New gTLD Program.

Consideration of these mechanisms: Have they helped mitigate the issues around the protection of trademark rights and consumers in this expansion of gTLDs

The CCT Review Team looked at whether these mechanisms have helped to mitigate the issues around the protection of trademark rights and consumers in this expansion of gTLDs and have sought to obtain data to help assess the impact of ICANN's New gTLD Program on the cost and effort required to protect trademarks in the DNS.

The CCT Review Team turned primarily to the data obtained by ICANN under the CCT Metrics Reporting⁶ and the INTA Impact Study (community.icann.org/download/attachments/56135378/INTA Cost Impact Report revised 4-13-17 v2.1.pdf), which it was hoped would provide additional data on the new gTLD cost impact to brand owners as well as existing data and commentary from the ICANN Rights Protection Mechanisms Review. The CCT Review Team also noted the parallel work by the ongoing Working Groups currently looking into RPMs and sought not to duplicate or undermine that work and thus looks forward to the reports from those groups.

ICANN Rights Protection Mechanisms (RPM) Review

Preliminary conclusions came from the ICANN Rights Protection Mechanisms (RPM) Review, conducted by the ICANN organization reporting on 11 September 2015 that overall the URS has produced positive results in certain limited cases. The speed and low cost caters to those who have clear-cut cases and are indifferent towards the solution of a suspended domain name. However, some rights holders have not opted to use this service due to the "clear and convincing" standard being seen as too strict and the URS remedy being limited to suspension only. There is also concern voiced over the possibility of the domain name being registered once more by another potential infringer once it is released, thus some rights holders feel more comfortable having the domain name in their portfolio, which can be achieved via a UDRP. Indeed, the value of a suspended domain name is questioned.

⁶ ICANN, "Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting," accessed 10 October 2017, <https://www.icann.org/resources/reviews/cct/metrics>

INTA Impact Study

The results of the International Trademark Association (INTA) Impact Study contain important information that more fully informs the community on the impact of ICANN's New gTLD Program on the cost and effort required to protect trademarks in the DNS. INTA members and intellectual property owners have expressed concern on multiple occasions about the New gTLDs on the basis that such expansion would likely create additional and increased costs in enforcing intellectual property rights. The survey sought to assess what additional costs and efforts have been required to protect trademarks in the DNS.

The INTA is a global organization of 6,600 trademark owners and professionals from over 190 countries. As such, it was well placed to respond to a survey from Nielsen which was based on CCTRT input, and INTA members were asked to capture all costs over the past 2 years (2015 and 2016). Their cost estimates include:

- Both in-house and outside legal fees,
- Filing fees,
- Investigation costs,
- The total costs, including benefits, of personnel responsible for these activities.

Respondents who completed this survey reported that compiling the data necessary to properly respond to the survey was a significant task. There were 33 respondents in total including one not for profit. Whilst the response rate for the survey is actually above the norm for a similar sample⁷ and when considering the level of required effort in completing what was an onerous questionnaire, the sample size of completed interviews is small from a statistical standpoint and requires some caution in its interpretation. Nevertheless, the results are indicative of key themes and trends.⁸

Key Takeaways from the Impact Study:

1. While one of the goals of the New gTLD Program is to increase choice for brand owners, choice does not seem to be a prime consideration for why brand owners elect to register in new gTLDs. Rather, the principal reason why the overwhelming majority (90%) of trademark owners are registering domain names in new gTLDs is for defensive purposes - to prevent someone else from registering.
2. Domain names registered by brand owners in new gTLDs are commonly parked and not creating value other than preventing unauthorized use by others.
3. The New gTLD Program has increased the overall costs of trademark defense with internet monitoring and diversion actions being the largest expenditure. These costs have impacted small companies and big companies alike with the most relevant cost-driving factor being the number of brands.

⁷ *This statement is based on Nielsen's general experience with samples of customers or members.*

⁸ *The total sample is sufficient to give directional information about those trends, according to Nielsen, but the exact numbers would still be subject to a high margin of error (the +/- percentage one regularly hears about with polls).*

4. Respondents reported that the average total enforcement costs related to TLDs generally (both legacy and new) per company is \$150,000 per year. Having said this, the costs varied widely among the survey respondents.⁹ This is something that would benefit from further investigation in future surveys.
5. Regarding disputes, more than 75% of cases brought now involve privacy and proxy services and close to 2/3rds encounter some level of inaccurate/incomplete WHOIS information.
6. Whilst the new gTLDs account for 1/6th of the enforcement costs they do not yet represent 1/6th of domain name registrations. Otherwise put, the cost of enforcement actions in new gTLDs is approximately 18%¹⁰ of overall TLD enforcement costs whilst the total numbers of new gTLD registrations compared to all TLDs is 10% at the time of the impact study. This data indicates that there is a disproportionate cost associated with new gTLD enforcement actions compared to overall enforcement actions. We therefore have a further indication that there may be proportionately more trademark infringement in new gTLDs than in the legacy gTLDs.¹¹
7. RPMs are generally considered to have been helpful in mitigating the risks anticipated with new gTLDs. In response to the question: "Please tell us why you feel the Rights Protection Mechanisms listed above have or have not mitigated the risks involved with new TLDs?" the responses were varied but provided a useful insight into the mindset of brand owners responding.¹² Two-thirds of the respondents surveyed feel that the UDRP and required Sunrise

⁹ *The range of total costs reported ran from zero to \$5.2 million.*

¹⁰ Nielsen, INTA New gTLD Cost Impact Survey (April 2017), accessed 14 September 2017, <https://community.icann.org/download/attachments/56135378/INTA%20Cost%20Impact%20Report%20revised%204-13-17%20v2.1.pdf?version=1&modificationDate=1494419285000&api=v2>, The average costs for all TLDs for 2 years = \$292,000. The average costs for new gTLDs for 2 years = \$53,690 (approximately 18%).

¹¹ Nielsen, New gTLD Cost Impact Survey (2017). *"Nielsen explains that the figures for internet monitoring being one of the main costs should be qualified—these costs are general overall costs and not specific to new gTLDs. An entity will pay for monitoring across all TLDs. There is likely to be some incremental increase in monitoring costs given additional new gTLDs being in scope, and indeed there is anecdotal evidence that more brands have started monitoring since the introduction of new gTLDs. However, these costs were not broken down in the questionnaire, monitoring was basically treated as a sunk cost. It would thus be reasonable to assume that these costs have gone up rather than down" Thus the total costs are likely to be above 18%.*"

¹² Sunrise - often come with a major cost to the brand owner: Claims - the name is already registered before we are notified; URS - name does not get transferred; narrow criteria for action; PDDRP - criteria are so narrowly drawn that circumstances extremely unlikely to arise; UDRP - criteria are well-defined; there is now a body of helpful case law; transfer of the name is an option. However, price is a deterrent for all but the most egregious cases. Sunrise period and trademark claim periods are too short; companies need to implement additional measures to watch their portfolio in numerous gTLDs being published week per week. Some we use and they work. Other not. URS: it is costly only to suspend (and not transfer) the litigious domain; Post Delegation: very interesting, but difficult and heavy to put in place (joint actions from various TM holders almost required). Sunrise periods have only a minor effect because many registries target brand owners with discriminatory pricing while at the same time many offer the same domain name to non-brands at a much cheaper price. Claims notices do not prevent squatters from registering domain names despite notice of existing rights, which means that the same problems as exist in the legacy TLDs persist in the new gTLDs after registration has occurred. The URS has a fairly high burden of proof compared to the less cost effective UDRP. The PDDRP, RRDRP, and PICDRP can be effective, but are not well understood as available options, leading them to have minor impacts on mitigating risks. Most of what we have done is defensive registration. These are good, but incomplete mechanisms. URS is faster than UDRP, but it is more than a matter of "days," - ineffective with really bad malware - and you don't get the domain. UDRP takes a few months. Both are costly. Businesses still need to register defensively at significant cost to protect our customers from misuse of our trusted brands.

periods have helped mitigate risks with 90% of respondents registering in new gTLDs during a Sunrise period. Of those who think that RPMs are effective the ranking is as follows:

- a. Sunrise 79%
- b. UDRP 73%
- c. Claims 66%
- d. URS 49%
- e. PDDRP/RRDRP/PICDRP 27%

There is nevertheless fairly substantial anecdotal evidence that brand owners are reluctant purchasers of Sunrise registrations and many see it as a cost that is overly expensive:

"Sunrise Periods have quickly become more a money-making product than a protective tool"¹³,

"Sunrise periods have only a minor effect because many registries target brand owners with discriminatory pricing while at the same time many offer the same domain name to non-brands at a much cheaper price"¹⁴

"The .top registry raised the Sunrise fee by \$30,000 for [company].top. We refused to register"¹⁵

8. TMCH registrations are used by a majority of the respondents. Looking at the data, the majority of respondents (approximately 9 in 10) registered at least 1 trademark in the TMCH, with 6 in 10 registering 1-10. With regard to associated costs, these vary considerably across the respondents from less than \$1,000 to \$48,000 with the average being approximately \$7,700.
9. The introduction of the URS process has provided an alternative to the UDRP but it is less used. The most cited reasons for why it is less popular include the inability to transfer the domain name after a successful decision and the higher burden of proof.
10. With regard to premium pricing, three-quarters of the respondents evaluate premium pricing for domain names on a case-by-case basis and two-thirds of their domain name registration decisions have been affected by premium pricing with .sucks being mentioned the most as a TLD that respondents did pay premium pricing for. However, 15% of respondents refuse to pay premium pricing at all.

We would prefer to have a blocking procedure for trademarks which would greatly mitigate the risks, but in the absence of blocking, the TMCH at least provides a mechanism for us to register domains with our marks before they are squatted. The TMCH claims procedure works only to a minor extent because it only captures filings for a very limited period of time. We find the URS of limited value because of the requirement for multiple domains. We use UDRP but only have done so with legacy TLDs because an overwhelming volume of infringing domains are in .com.

The Sunrise Period allows trademark owners to purchase a domain incorporating a key trademark before anyone else can. The other mechanisms, however, do not seem that effective and require a significant outlay of resources from trademark owners. We've not had the opportunity to use.

Registrants are willing to risk a small registration fee to use a domain name with a famous trademark in it." (p. 59).

¹³ Nielsen, *New gTLD Cost Impact Survey (2017)*, p. 52.

¹⁴ *Ibid.* p. 59.

¹⁵ *Ibid.* p. 50.

ICANN Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting

Numbers of Cases Filed (UDRP and URS)

It is clear from the data obtained by ICANN across all domain name dispute resolution providers,¹⁶ that the total cases filed (UDRP + URS) has increased considerably since the introduction of new gTLDs. Concerning the UDRP, there has been a fairly substantial increase in the number of UDRP complaints filed whilst the use of the URS has been more limited and we have seen a slight decline in cases filed since its introduction and first use in new gTLDs in 2014.

The first new gTLDs entered the root in 2013,¹⁷ but it was not until 2014 that we saw the first UDRP case involving a new gTLD in "Canyon Bicycles GmbH v. Domains By Proxy, LLC / Rob van Eck" and concerning the domain name <canyon.bike>¹⁸ on 14 March 2014. The first URS decision involved the domain name <aeropostale.uno> on 28 April 2014.¹⁹ Taking into account the previous year without any new gTLD related disputes as the baseline, we had a total of 3,371 disputes decided all of which were UDRPs and all of which concerned only legacy gTLDs.

Year	Total split UDRP and URS	Total cases combined
2013	3,371 (UDRP)	3,371
2014	4,056 (UDRP) & 231 (URS)	4287
2015	4,130 (UDRP) & 213 (URS)	4343
2016	4,368 (UDRP) & 222 (URS)	4590
2017 Q1/Q2	2,112 (UDRP) & 104 (URS)	2,216 (NB for half a year)

The number of cases filed with UDRP and URS providers. [Updated Quarterly] [As of: 3 August 2017]

Source: Arbitration provider databases

CCT Review Category: Consumer Trust

¹⁶ ICANN, "Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting: Rights Protection Mechanisms," accessed 10 October 2017, <https://www.icann.org/resources/pages/cct-metrics-rpm-2016-06-27-en#1.12>

¹⁷ ICANN, "First New gTLD Registries Receive Tokens for Root Zone Management System," accessed 10 October 2017, <https://newgtlds.icann.org/en/announcements-and-media/announcement-22oct13-en>, first new gTLDs enter the root in October 2013.

¹⁸ WIPO, "Arbitration and Mediation Center Administrative Panel Decision: Canyon Bicycles GmbH v. Domains By Proxy, LLC / Rob van Eck Case No. D2014-0206," accessed 10 October 2017, <http://www.wipo.int/amc/en/domains/search/text.jsp?case=D2014-0206>, first UDRP decision involving a new gTLD.

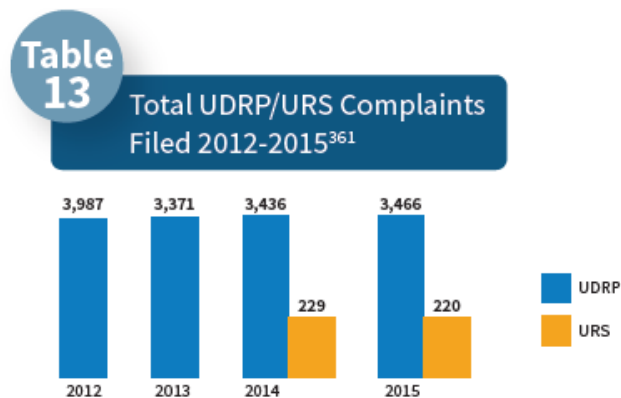
¹⁹ ADR, "National Arbitration Forum URS Appeal Determination: Aeropostale Procurement Company, Inc. v. Michael Kinsey et al. Claim Number: FA1403001550933," accessed 10 October 2017, <http://www.adrforum.com/Domaindecisions/1550933A.htm>, first URS decision involving a new gTLD.

In 2014, we saw the total cases (UDRP and URS combined) rise to 4,287 representing a 27% increase. In 2015, the total cases increased slightly again to 4,343 (1.3% higher than 2014) and in 2016 we saw a further 5.7% increase taking the total cases to 4,590. Thus, comparing total cases in 2013, the year before the first new gTLD dispute and in 2016, we have a considerable increase of 36% in cases filed across all providers.

If we just look at UDRP cases, we see a rise from 2013 to 2014 of 20%, a further rise from 2014 to 2015 of around 2% and again a rise from 2015 to 2016 of 5.8%. If we look at URS cases alone, the first thing to note is that their popularity as an RPM is and remains low with 231 cases in 2014, 213 cases in 2015 and 222 cases in 2016. Thus, around only 5% of the total cases are filed under the URS. In addition, there appears to be no significant rise in the number of complaints filed year on year. We saw a decrease in URS cases filed when comparing 2015 to 2014, and even in 2016 the total number of URS cases filed remained lower than in 2014, the first year of operation for new gTLDs. Thus, this leads one to question whether it is meeting its potential as a useful RPM.

It is important to note that the number of UDRP and URS cases filed reflect only part of the costs incurred by trademark owners in defending their brands and the bulk of enforcement costs may have been incurred in the form of defensive registrations / blocking/ watching / cease and desist letters and court action, for which we do not presently have data. However, the INTA Impact Study does give some insight into this.

DTnote: Need to update table 13



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Complaints to ICANN Concerning Implementation of UDRP and URS Decisions

ICANN's role is to ensure that the registrars comply with the UDRP and UDRP Rules as well as the URS procedure and rules.

²⁰ ICANN, "Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting: Rights Protection Mechanisms," accessed 4 March 2017, <https://www.icann.org/resources/pages/cct-metrics-rpm-2016-06-27-en#1.9.a>

For example, a UDRP provider may file a UDRP complaint that a registrar did not timely lock a domain subject to a UDRP or respond to the provider's verification request. The Complainant may then submit a complaint to ICANN when the registrar fails to timely implement a UDRP decision.

With regard to the URS, for example, the registry operator must also timely lock, and if applicable suspend the relevant domain name in accordance with the URS determination and the URS procedure and rules. The prevailing Complainant in the URS proceeding and the URS Provider may submit a URS complaint regarding such alleged violations to ICANN via the URS compliance web form.

Looking at the number of complaints made to ICANN concerning the implementation of UDRP and URS decisions,²² the number of complaints concerning the UDRP declined between 2012 and 2014 by some 65% and since then has remained fairly static at between 250 and 227 complaints annually. URS complaints were relatively high in 2014, the first year in which the URS was available for new gTLDs, but in the last two years (2015 and 2016) the number of complaints has roughly halved.

DTnote: Update Table 14

New Table 15: Comparing the % of complaints to ICANN in each RPM compared to total number of domain name decisions in each RPM.

Year	URS	UDRP
2014	8%	5.5%
2015	5.1%	6%
2016	4%	5.4%

In 2014, the year that the URS was introduced, there was a relatively high number of complaints to ICANN and when compared to the total number of URS that year, the complaint level was at 8%. This compares to the complaint level for the UDRP in 2014 of 5.5%. The higher level of implementation complaints concerning the URS compared to the UDRP may have been down due to a number of factors including its relative newness, the complexity of the process and recent adoption by registrars.

If we move through 2015 and 2016, we see that the relative number of complaints for the URS decreases and in 2016 the relative number of URS related complaints compared to the UDRP was actually less at 4% compared to 5.4% for the UDRP. It may be that over time, the complexities of the URS had been understood by both registrars, registries and end users.

²² It should be noted that Complaints regarding the merits of the decision are outside of ICANN's contractual scope.

²³ ICANN, "Competition, Consumer Trust and Consumer Choice (CCT) Metrics Reporting: Rights Protection Mechanisms," accessed 4 March 2017, <https://www.icann.org/resources/pages/cct-metrics-rpm-2016-06-27-en>.

Trademark Clearinghouse (TMCH)

With regard to the TMCH, the draft report of the Trademark Clearinghouse Independent Review of 25 July 2016 was based on an analysis of TMCH and third party data sources, as well as interviews and surveys of TMCH stakeholders. The findings are preliminary but it seems that the Claims Service and matching criteria may be helping to deter domain name registrations that infringe on rights holders where they are exact matches to trademark strings recorded in the TMCH. It also seems that some good faith registrations are being deterred by the Claims Service system, which may be detrimental to the registration activity of non-trademark holder domain registrants, however it is noted in that draft report that there are data limitations preventing any definitive conclusion. With regard to the often discussed possibility of extending the Claims Service period or expanding the matching criteria used for triggering Claims Service notifications may only be of limited benefit to trademark holders on the one hand, but on the other could cause costs to other stakeholder groups, such as registries, registrars, and non-trademark holder domain registrants. Again, data limitations prevented a cost-benefit analysis of extending the Claims Service or expanding the matching criteria. As such it is difficult to make recommendations at this stage and it is hoped that the INTA Impact Study will provide additional data in that respect.

ICANN commissioned Analysis Group to undertake an independent review of TMCH services based on the Governmental Advisory Committee (“GAC”) recommendation in May 2011 that a comprehensive, post launch review be performed²⁴. The review sought to assess the strengths and weaknesses of the TMCH services in the light of that recommendation and was based on an analysis of TMCH and third-party data sources, as well as interviews and surveys of TMCH stakeholders. The revised report²⁵ incorporated public comments and suggestions to the original report and analyses published on 25 July 2016²⁶ and which we considered in our draft CCTRT report.

Importantly the report notes that whilst the data allowed meaningful observations to be made about the use of the TMCH services studied the conclusions drawn concerned whether the results of the evaluation are consistent with what one would expect to see if the TMCH services were effective (or not) at helping to deter domain name abuse. The research did not provide quantifiable information on the costs and benefits associated with the present state of the TMCH services, nor the potential costs and benefits of expanding or altering the way the services function, making a concrete cost-benefit analyses outside the scope of the Analysis Group report.

Summary of Findings

With regard to the often discussed possibility of extending the Claims Service period or expanding the matching criteria used for triggering Claims Service notifications may only be of limited benefit to trademark holders on the one hand, but on the other could cause costs to other stakeholder groups, such as registries, registrars, and non-trademark-holder domain registrants. Again, data limitations prevented a cost-benefit analysis of extending the Claims Service or expanding the matching criteria.

²⁴ The GAC recommendation is available at <https://archive.icann.org/en/topics/new-gtlds/gac-comments-new-gtlds-26may11-en.pdf>

²⁵ Revised TMCH Review report <https://www.icann.org/news/announcement-2017-02-23-en>

²⁶ Draft TMCH Review report: <https://www.icann.org/news/announcement-2016-07-25-en>

With regard to the often discussed possibility of extending the Claims Service period or expanding the matching criteria used for triggering Claims Service notifications the report found that this may be of limited benefit to trademark holders. In addition, such potential expansion was noted by the report as potentially being associated with increased costs for other stakeholder groups, such as registries, registrars, and non-trademark-holder domain registrants. Due to data limitations a definitive conclusion was not possible. The report did note that a given the fact that a cost-benefit analysis has not been performed, an extension of the Claims Service or expanding the matching criteria, should consider the tradeoffs felt by different stakeholder groups. Indeed, the report stressed that when evaluating whether the Claims Service period should be extended, it is important to consider how many potential registrations would be affected by the extension. As such, the effectiveness of Claims Service notifications depends on how many registration attempts are being made: if there are few registration attempts, then there are fewer potentially-infringing registrations being made. The report found that registration activity declined after the 90-day Claims Service period ends, so concluded that any additional months added to the Claims Service period will likely have diminishing value. The report also found that trademark holders infrequently disputed registrations that are variations of trademark strings and as such an expansion of the matching criteria may in fact bring little benefit to trademark holders for the potential harm towards non trademark-holder domain registrants, the latter potentially being deterred from registering trademark string variations that would otherwise not be considered as trademark infringement. The report finally considered the Sunrise period and found via questionnaire feedback that whilst trademark holders felt that there is value in the Sunrise period concept and many do use it by recording their marks in the TMCH, many trademark holders do not utilize the period. The report concluded that this could be due to the expense of Sunrise registrations or because other protections of the TMCH service such as the Claims Service, reduce the need for trademark holders to utilize Sunrise registrations. The CCTRT feels that it is also likely due to the sheer number of new gTLDs which ties into the expense reason and underlines that defensive registrations when multiplied across many new gTLDs is an expensive business and few brand owners are willing to engage in the same way with large scale defensive domain name registrations.

Trademark Post-Delegation Dispute Resolution Procedure (TM-PDDRP)

ICANN Contractual Compliance has received no complaints regarding a registry operator's non-compliance with the PDDRP. However, it should be noted that there is currently a GNSO Working Group conducting a Policy Development Process (PDP) to Review all RPMs in all gTLDs that is exploring possible impediments to implementation of the PDDRP since there are no known PDDRP filings with such providers to date.

Registry Restrictions Dispute Resolutions Procedure (RRDRP) Decisions

The RRDRP is intended to address circumstances in which a community-based new gTLD registry operator deviates from the registration restrictions outlined in its Registry Agreement. As of, 3 August 2017 there have been no RRDRP cases.

Share of Sunrise Registrations and Domain Blocks to Total Registrations in Each TLD

As of 3 August 2017, the only available data on the number of Sunrise registrations compared to total registrations in new gTLDs are from ICANN. According to ICANN there are no consolidated data available

regarding commercial blocking services offered by registries. The CCTRT remains open to receive any such data.

Conclusion

The data we have certainly points to increasing numbers of disputes since the introduction of new gTLDs with disputes rising year on year after the introduction of new gTLDs. Indeed, in 2016 the total number cases filed (UDRP and URS combined) was 36% higher than in the year that the first new gTLD entered the route in 2013.

However, a rising number of domain name disputes is not in itself surprising with the increased number of domain name registrations worldwide as new gTLDs are introduced to the root and registrations occur.

A more pertinent question to ask is whether there is proportionately more trademark infringement in new gTLDs than in legacy TLDs. This is a more difficult question to answer, as there are many factors involved in assessing trademark infringement where there is simply no data available. The INTA Impact Study is a good example of the complexities of obtaining such information.

In addition to the UDRP and URS, trademark owners also use a variety of other means to deal with abusive domain name registrations, such as court action and cease and desist letters, which are not tracked centrally, nor are the costs associated with such actions available. It is not for ICANN to track or attempt to track such data either. However, ICANN does indeed collect data on the usage of the dispute resolution mechanisms, the UDRP and the URS, across all domain name dispute providers. That data shows that on the one hand, domain name disputes are on the rise. We also have data from ICANN on the number of new gTLD registrations compared to total gTLD registrations (thus including both legacy and new gTLDs). That data also shows that gTLD domain name registrations are on the rise. However, what we do not have with ICANN metrics is a breakdown of the relative use of UDRPs, that is to say the use of UDRPs in new gTLDs as opposed to legacy TLDs.

Thus, in order to attempt to answer the question of whether there is proportionately more trademark infringement in new gTLDs than in legacy TLDs we can look at the data from the major dispute resolution provider, WIPO, as this data is publically available.

The WIPO data for 2016, demonstrated that cybersquatting disputes relating to new gTLDs rose to 16% of WIPO's 2016 caseload. Among these, the new gTLDs .XYZ, .TOP and .CLUB were the most common new gTLDs involved in domain name disputes. The legacy gTLDs accounted for 70% of WIPO's caseload. As such, looking at WIPO alone, 18.6% of their gTLD caseload involved new gTLDs. Turning to ICANN statistics on domain name registrations for the end of 2016 we have 196,493,430 gTLD registrations and 27,659,702 new gTLD registrations as of December 2016, thus new gTLDs account for 14% of the registration volume of gTLDs. From this data, we have a good indication that there is proportionately more trademark infringement presently in new gTLDs than in legacy TLDs.

There is a question mark over whether the URS is a valuable RPM given its low usage compared to the UDRP.

The fact that the TM-PDDRP and Registry RRDRP have not been used to date may on the one hand also bring their existence into question, but equally may also underline that their mere existence is acting as a deterrent.

Sources:

Compilation of procedures related sources:

Competition, Consumer Trust, and Consumer Choice Review Team Community Wiki, "Procedures," accessed 5 March 2017, <https://community.icann.org/display/CCT/Procedures>

ICANN, "Rights Protection Mechanisms Review."

ICANN GNSO, "PDP Review of All Rights Protection Mechanisms in All gTLDs," accessed 5 March 2017, <https://gns0.icann.org/en/group-activities/active/rpm>

Liu, Rafert, and Siem (25 July 2016), Independent Review of Trademark Clearinghouse (TMCH) Services Draft Report, accessed 5 March 2017, <https://newgtlds.icann.org/en/reviews/tmch/draft-services-review-25jul16-en.pdf>

Competition, Consumer Trust, and Consumer Choice Review Team Community Wiki, "Procedures," accessed 5 March 2017, <https://community.icann.org/display/CCT/Procedures>.

Compilation of impact of safeguards and PICs related sources:

ICANN, "CCT Metrics Reporting: Rights Protection Mechanisms," accessed 5 March 2017, <https://www.icann.org/resources/pages/cct-metrics-rpm-2016-06-27-en>

Priority to Address:

The need for data is pivotal and the results of the INTA Impact Study and other data are awaited in order to fully inform the community on the impact of ICANN's New gTLD Program on the cost and effort required to protect trademarks in the DNS. The survey is one going out to corporates, SMEs, universities and nonprofits.

Recommendations:

Recommendation 40: The Impact Study as carried out by Nielsen surveying INTA members in order to ascertain the impact of the New gTLD Program on the cost and effort required to protect trademarks in

the DNS should be repeated at regular intervals to see the evolution over time as the New gTLD Program continues to evolve and new gTLD registrations increase. We would specifically recommend that the next Impact Survey be completed within 18 months after issuance of the CCTRT final report, and that subsequent studies be repeated every 18 to 24 months. **The study needs to be more user friendly.**

Rationale/related findings: Costs will likely vary considerably over time as new gTLDs are delegated and registration levels evolve. Repeating the Impact Study would enable a comparison over time.

To: ICANN organization

Prerequisite or Priority Level: High

Consensus within team: Yes

Details: The evolution over time will provide a more precise picture of costs as they evolve and track the effectiveness of RPMs generally in the DNS.

Success Measures: The results of such Impact Studies would provide significantly more data to the relevant working groups currently looking into RPMs and the TMCH as well as future ones, thereby benefitting the community as a whole. Recommendations would then also be able to evolve appropriately in future CCT Review Teams.

Recommendation 41: A full review of the URS should be carried out and consideration be given to how it should interoperate with the UDRP. However, given the PDP Review of All RPMs in All gTLDs, which is currently ongoing, such a review needs to take on board that report when published and indeed may not be necessary if that report is substantial in its findings and if the report fully considers potential modifications.

Rationale/related findings: The uptake in use of the URS appears to be below expectations, so it would be useful to understand the reasons for this and whether the URS is considered an effective mechanism to prevent abuse. It is also important for all gTLDs to have a level playing field. ~~[The PDP Review of All RPMs in All gTLDs is due to consider the URS during spring or early summer 2017 with a final report scheduled for January 2018. It would seem to be diluting resources to create a separate review of the URS without the clarity of the PDP Review of All RPMs in All gTLDs.]~~ **[The PDP Review of All RPMs in All gTLDs, which is running in parallel to this CCT Review Team, will contribute to this consideration with its report due in 2018. That Working Group's report needs to be considered to set the scope of any review and potential modifications.]**

To: RPM PDP Working Group

Prerequisite or Priority Level: Prerequisite

Consensus within team: Yes

Details: A review of the URS consider inter alia (1) whether there should be a transfer option with the URS rather than only suspension; (2) whether two full systems should continue to operate (namely UDRP and URS in parallel) considering their relative merits, (3) the potential applicability of the URS to

all gTLDs and (4) whether the availability of different mechanisms applicable in different gTLDs may be a source of confusion to consumers and rights holders.

Success Measures: Based on the findings, a clear overview of the suitability of the URS and whether it is functioning effectively in the way originally intended.

Recommendation 42: A **cost-benefit analyses and** review of the TMCH and its scope should be carried out to ~~provides us with~~ **quantifiable information on the costs and benefits associated with the present state of the TMCH services and thus sufficient data to make recommendations and** allow an effective policy review.

Rationale/related findings: It seems likely that a full review of the TMCH is necessary **including a cost-benefit analyses**. The effectiveness of the TMCH appears to be in question. **The Independent Review of Trademark Clearinghouse (TMCH) Services Revised Report²⁷ was not been able to make definitive conclusions due to data limitations and indeed specifically noted that it was unable to perform a cost-benefit analysis of extending the Claims Service or expanding the matching criteria.**

Indeed, the PDP Review of All RPMs in All gTLDs, which is running in parallel to this CCT Review Team, will contribute to this consideration with its report due ~~January~~ 2018. That Working Group's report needs to be considered to set the scope of any review and potential modifications.

To: RPM PDP Working Group

Prerequisite or Priority Level: Prerequisite

Consensus within team: Yes

Details: There appears to be considerable discussion and comment on whether the TMCH should be expanded beyond applying to only identical matches and if it should be extended to include "mark+keyword" or common typographical errors of the mark in question. If an extension is considered valuable, then the basis of such extension needs to be clear.

Success Measures: The availability of adequate data to make recommendations and allow an effective policy review of the TMCH.

²⁷ TMCH Revised report <https://www.icann.org/news/announcement-2017-02-23-en>