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To: WIPO Internet Domain Name Process
World Intellectual Property Organization
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Oblon, Spivak, McClelland, Maier & Neustadt, P.C., an intellectual property law firm that represents trademark owners large and small, throughout the world, submits the following comments to WIPO's Interim Report of the WIPO Internet Domain Name Process (The "Interim Report"), in response to WIPO's Third Request For Comments ("WIPO RFC-3").

WIPO's proposal is a balanced approach that takes into account the interests of trademark owners, domain name registrants, domain name registries and the Internet as a whole. Our comments made below propose "fine tuning" of certain aspects of WIPO's suggested arrangement.

To facilitate review of our Response, we repeat the relevant paragraph from WIPO RFC-3 (shown in italics), followed immediately by our comments.

46. *It is recommended that the contractual relationship between a domain name registrant and a registration authority in open TLDs be fully reflected in an electronic or paper registration agreement. It is appropriate that both parties should have the opportunity to know explicitly the terms of the relationship that govern them.*

We agree that a contractual relationship between the domain name registrant and the registrar is necessary to carry out other aspects of the WIPO plan. We question whether the proposed “click-wrap” agreement is enforceable by law throughout the world. This issue will likely require further study.

51. *Further comments are requested on whether it would be desirable to allow a domain name holder to remain anonymous on condition that it supply the contact details mentioned in the preceding paragraph of a designated agent.*

We recognize the effort WIPO is making to balance the privacy interests of domain name registrants with the interests of trademark owners that may need to resolve legitimate disputes. Nevertheless, if trademark owners and their counsel are unable to contact domain name registrants because there is no access to contact information, this will frustrate many settlement efforts, and force trademark owners to resort needlessly to the courts. “Cybersquatters” could seek to delay trademark owners from protecting their rights by hiding behind asserted privacy concerns, while failing to respond to legitimate inquiries from trademark owners. If domain name holders are permitted to remain anonymous, they at least should be required to designate an agent for service of process so there is some way to contact the domain name registrant and institute legal proceedings in national courts, if necessary. Failure to provide an agent for service of process could result in a proliferation of suits against registrars, as many trademark owners will have no other place to turn.

55. *It is recommended that the registration agreement contain an agreed term that contact details provided by the applicant will be held by the registration authority for the limited purposes of the transaction and for facilitating contact with the domain name holder where there is an allegation of infringement of an intellectual property right and that it will be made available to others only for those limited purposes*

Withholding contact information (and other information such as a domain name activation date) from public access frustrates both the openness that has characterized the Internet from its conception and the ability to resolve conflicts at an early stage. Shielding part of the contact database from public view may serve to create more conflicts than it avoids. Since disputes over trademarks are resolved in large part by determining priority of rights, the inability of a trademark

owner to determine whether it has priority over a domain name registrant will force the trademark owner to base litigation decisions on educated guesses. Those who guess wrong will waste the resources of courts, registrars and ICANN. Domain names and the Internet exist for purposes of facilitating global communication, and the dispersal of knowledge. Keeping the public in the dark regarding priority rights and contact information of domain name registrants will increase miscommunication and litigation.

59. It is recommended that the registration agreement contain an agreement on the part of the domain name applicant to submit to the jurisdiction of particular courts, as detailed in Chapter 3, and to submit to the alternative dispute-resolution procedure detailed in Chapter 3.

We endorse this recommendation that the domain name registrants agree to subject themselves to the jurisdiction of particular courts, with the clarifications suggested under paragraph 119 below.

64. It is recognized that the designation of an agent for service of process might serve a useful function in relation to the protection of intellectual property rights and the settlement of disputes, where infringement occurs. However, the requirement of the designation of an agent by an applicant treats the exception (infringement) as the norm. It is believed that the requirement of the provision of accurate and reliable contact details is a sufficient safeguard without the need for requiring further legal formalities at the stage of registration.

We are strongly in favor of appointment of an agent for service of process in all cases. While WIPO asserts that accurate and reliable contact details will take the place of a service agent, this will not suffice if the final procedures mask information on grounds of privacy. Even where reliable contact details are available, they may not be sufficient to ensure that trademark owners can protect their rights, particularly where contacts are unavailable, or where the domain name registrant simply does not answer inquiries from trademark owners. Further, the right to participate in the global forum that is the Internet carries with it the responsibility to abide by the law. Domain name registrants will be able to choose what laws they need to abide by, through selecting a registrar in a particular jurisdiction. Simply because a domain name registrant operates in cyberspace does not mean that it should be beyond the reach of the law.

75. *It is recommended, on balance, that waiting periods not be required prior to the activation of the domain name, but that an expedited alternative dispute resolution procedure for suspension should be made available, as detailed in Chapter 3, which would allow the rights and interests of each party to be considered.*

So long as the Alternative Dispute Resolution Procedure for Suspension is truly “expedited,” we agree that this is the preferred alternative to waiting periods.

92. *Further comments are requested on the utility and functional practicality of:*
- (i) *requiring the use of on-line data validation mechanisms in real time (such as on-line registration forms with mandatory fields) in order to contribute to ensuring more complete contact details for domain name holders; and*
 - (ii) *requiring registration authorities to implement procedures for the automatic confirmation of the existence of the domain name applicant.*

As to subpart (i), we note that NSI currently authenticates domain name change orders by verifying receipt of e-mail from the original contact. Such a procedure on submission of a domain name application could validate at least this element of the registration form.

As to subpart (ii), confirmation procedures for the existence of the domain name application should include the applicant and its technical contact.

101. *It is recommended that:*
- (i) *the domain name registration agreement should contain a term making the supply of inaccurate or unreliable information by the domain name applicant a material breach of the contract; and*
 - (ii) *a take-down procedure be implemented whereby, upon service of a notification by an interested third party containing the details set out in paragraph 98, above, and upon independent verification of the unreliability of the contact details in question, the registration authority would be required to cancel the corresponding domain name registration.*

As to subpart (ii), the proposed “take-down procedure” should have a “safe harbor” provision where a domain name registrant has the opportunity to explain inaccuracies in its contact details. It is possible that a domain name registrant may move, switch service providers, or innocently fail to inform the registrar of changes in its contact information. The penalty of automatic take-down seems too harsh for innocent inattentiveness.

106. It is not recommended that portals or gateway pages or other such measures be compulsory in the event of competing claims to common elements of an address, but users are encouraged to consider carefully the advantages of such measures as means of finding a solution to a good faith shared desire to use common elements of marks as domain names.

We agree that portals, gateway pages, or other such measures not be compulsory in the event of competing claims to common elements of an address. It has been our experience that there are situations where these creative solutions may be inappropriate.

119. It is recommended that the domain name applicant be required, in the domain name registration agreement, to submit, without prejudice to other potentially applicable jurisdictions, to the jurisdiction of:
(i) the country of domicile of the domain name applicant, and
(ii) the country where the registration authority is located,
provided that those countries are either party to the Paris Convention or bound by the TRIPS Agreement.

See our comments to paragraph 64 above.

The language “without prejudice to other potentially applicable jurisdictions” in WIPO's proposal is somewhat ambiguous. The proposal appears to state that the jurisdiction specified in the registration agreement will not be the exclusive place where the domain name registrant is subject to suit, but merely one available jurisdiction for suit. WIPO's final recommendations should make this clear.

134. It is recommended that the domain name registration agreement contain a provision for a domain name applicant to submit, on an optional basis, to arbitration in respect of any dispute in relation to the domain name.

We believe that, when a domain name registrant elects optional arbitration of domain name disputes, the administrative dispute resolution procedure should still be available. Thus, while the procedures discussed in paragraph 134 may be optional, the procedures discussed under paragraph 142 should be mandatory, and should remain available regardless of whether the domain name registrant agrees to the procedures of paragraph 134.

138. It is recommended that the clauses in the domain name registration agreement, which provide for an applicant to submit, at its option, to arbitration, envisage that the arbitration procedure to take place on-line.

While we endorse and encourage the development of online procedures for arbitration, we believe that publication and further comment are needed on the exact procedures envisaged. For example, will the procedure be limited to the domain name registrant and the trademark owners? Will submissions be accepted from the parties' counsel? Will the procedures take place "real time" in a "chat room," or may positions and arguments be formulated and submitted offline? Will the procedure permit the submission of extrinsic evidence? If so, can this be done in an electronic format? If electronic submission of evidence is the exclusive means to be used, would this prejudice individuals and smaller businesses who do not have access to facilities for electronic conversion of documents? If the parties wish to have face-to-face arbitration, will that option be available? These and many other questions should be considered and subject to comment before a final arbitration procedure is endorsed or brought online.

142. It is recommended that a policy to make available a uniform administrative dispute-resolution procedure:

- (i) be adopted within the DNS;*
- (ii) be implemented by appropriate provisions in the chain of contractual authorities from ICANN to registration authorities; and*
- (iii) be reflected in the domain name registration agreement.*

See comments to 138 above. In addition, while we agree that Administrative Dispute Resolution should be uniform, we also believe that the procedure should be in place and working before any new gTLDs are permitted.

145. It is recommended that the domain registration agreement require the applicant to submit to the administrative dispute-resolution procedure in respect of any dispute concerning the domain name.

We agree in principle that domain name applicants should submit to mandatory Dispute Resolution proceedings. However, see our comments to 138 above as to the nature of those proceedings.

151. *It is recommended that the mandatory submission to the administrative dispute-resolution procedure in the domain name registration agreement extend to any dispute concerning the domain name arising out of the alleged violation of an intellectual property right.*

See our comments to paragraph 145 above regarding mandatory dispute resolution procedures.

158. *It is recommended that the remedies available under the administrative procedure be limited to:*

- (i) *the suspension of the domain name registration;*
- (ii) *the cancellation of the domain name registration;*
- (iii) *the transfer of the domain name registration to the third party complainant; and*
- (iv) *the allocation of the responsibility for payment of the costs of the proceedings.*

As to subpart (iv), we agree that the remedies specified should be within the discretion of the ADR decision maker; however, any decision regarding the award of domain name and allocating costs should include the decision maker's reasoning for cost allocation. This will provide domain name registrants and trademark owners alike with guidance as to how ADR costs may be allocated in the future.

163. *It is recommended that the procedural rules for the administrative dispute-resolution procedure provide for the possibility of consolidating, into one procedure, all claims by the same party in respect of the same domain name holder where the claims relate to the alleged infringement of the same or different intellectual property rights through domain name registrations in any TLD.*

We agree that the consolidation process envisaged by this proposal will be of great benefit. It should be clarified, however, that the only “claims” which are being consolidated are those made through the administrative dispute resolution procedure, and cannot include claims being resolved in national court proceedings.

165. *It is recommended that:*
(i) *The availability of the administrative procedure should not preclude a party complainant seeking to resolve a domain name dispute from filing a claim in the relevant national court instead of initiating the administrative procedures, if this is deemed to be a preferred course of action.*

- (ii) The determinations flowing from the administrative procedure would not, as such, have weight of binding precedent under national judicial systems.*
- (iii) The parties to a dispute should have the ability to go to the national courts to initiate litigation, even after the completion of the administrative procedure.*
- (iv) A decision by a court of competent jurisdiction that is contrary to a determination resulting from the ADR procedures should override the ADR determination.*

As to subpart (ii), while we agree that Administrative Dispute Resolution procedure decisions should not be binding on national judicial systems (indeed, we believe it would be up to the judicial systems themselves to decide whether such decisions bind them), we also believe that such decisions should be available to cite as persuasive authority in national courts. The ADR tribunal will be creating the first body of precedent dedicated entirely to domain name disputes. The national courts of the world should not be deprived of this guidance by administrative fiat.

171. It is recommended that the procedural rules for the administrative dispute-resolution procedure provide for:

- (i) decisions on the granting or denial of requests for interim measures, such as the suspension of a domain name, to be granted within one week of the commencement of the procedure; and*
- (ii) final determinations on claims to be made within two months of the initiation of the procedure.*

While we applaud the goal of rendering final determinations on domain name claims within two months of initiating the procedure, we wonder whether such a short time frame will provide sufficient time for the parties involved to prepare and submit evidence and argument, and for decision makers to render well-reasoned decisions.

182. It is recommended that the administrative dispute-resolution procedure be administered on-line and that the procedural rules so provide.

See our comment to paragraph 138 above.

187. It is recommended that:

- (i) registration authorities be required to agree to enforce determinations made under the administrative-dispute resolution policy;*
- (ii) the domain name registration agreement contain a provision that, in submitting to the administrative dispute-resolution procedure, a domain name applicant agrees to the direct enforcement by registration authorities of any determination made in the procedure; and*

(iii) the determinations made under the administrative dispute-resolution procedure be published on a web site.

As to subpart (iii), we agree that the Administrative Dispute Resolution procedure decisions should be published on a website. It would be beneficial that the website be free of charge for all to review; and that the decisions be searchable not just by party names but by subject matter and (perhaps) key words.

189. Further comments are sought on the question of whether a centralized appeal process before a designated dispute-resolution service provider would be desirable with a view to enhancing consistency in determinations.

We believe a centralized appeal process is premature. Before adding another layer of review to the burden of brand-new tribunals, we recommend that the tribunals gain experience in rendering decisions. Once the tribunals have developed a track record, it may be reevaluated whether a central administrative appeals procedure would be viable and beneficial. In the meantime, appeals may be directed to national courts as already contemplated by the WIPO proposal.

194. It is recommended that:
(i) dispute-resolution service providers should be free to determine the level of their administration fee and the fee payable to decision-makers; and
(ii) the third party complainant should be required to pay, at the commencement of the procedure, the administrative fee and an advance on the other costs of the procedure, with the decision-maker having the power to decide, in the determination, on the allocation of ultimate responsibility for that fee and those costs between the parties.

There are no guidelines in the WIPO proposal for ensuring that neutral decision-makers really are “neutral.” Just as attorneys should not represent both parties to a dispute, decision-makers to an ADR proceeding should not render decisions in any situation where their participation could be viewed as biased. WIPO should consider promulgating guidelines on this issue.

198. It is recommended that the merits of a dispute be decided by the decision-maker in accordance with the laws that, in the light of all the circumstances of the case, are applicable

and by reference to a set of guiding principles that endeavor to identify the dominant considerations that national courts cases have taken into account.

We recognize that the laws and principles, which will govern ADR decisions, are presently open-ended and ambiguous, owing to the global nature of the Internet and the dearth of decisional law on the topic worldwide. Nevertheless, the more concrete the guiding principles, which can be provided to the neutrals to guide their decisions, the more consistent those decisions will be.

221. It is recommended that:

- (i) ICANN adopt a policy providing for a mechanism for obtaining and enforcing exclusions in open TLDs for famous and well-known marks; and*
- (ii) Registration authorities agree, in the chain of contractual authorities from ICANN, to enforce determinations made for exclusions of famous and well-known marks in TLDs.*

We agree that there should be an exclusionary mechanism for protecting against registration of famous trademarks in open TLD's. Nevertheless, the status of even a famous trademark can change over time. For example, a once famous mark may no longer be in use, and the good will in the mark may have dissipated. Similarly, there may be changes in the way the famous mark is used, allowing for certain, limited types of third-party uses for domain names. Therefore, we propose there be a mechanism by which a domain name applicant can challenge the “famous status” of a TLD.

223. It is recommended that the mechanism for obtaining and enforcing exclusions provide for:

- (i) publication of any application for an exclusion and all determination on a centralized web site;*
- (ii) the maintenance of a published list of well-qualified decision-makers and the appointment of ad hoc panels of three persons from that list to make determinations in respect of any particular application;*
- (iii) the participation of interested third parties in proceedings on an application for an exclusion;*
- (iv) the appointment of panels to make determinations by the administering authority without party participation in those appointments; and*
- (v) the centralized administration of the procedure.*

See our comments to paragraph 221 above.

225. *It is recommended that determinations on applications for exclusions for famous or well-known marks should have no binding effect on national or regional industrial property offices or national courts in their implementation of international norms for the protection of famous and well-known marks.*

See our comments to paragraph 165 above.

229. *It is recommended that decisions on applications for exclusions of famous or well-known marks in open TLDs be taken on the basis of all the circumstances of the application and, in particular, the non-exhaustive list of factors set out in paragraph 227, above, together with the further factor set out in paragraph 228 above.*

Factor (6) under paragraph 227 is somewhat ambiguous, and should be clarified.

234. *It is recommended that, to the extent that the administrators of open ccTLDs participate in the exclusion mechanism, the exclusion be granted in respect of any open ccTLD on the basis of an evaluation of whether the mark that is the subject of an application for exclusion is famous or well-known within the territory to which the ccTLD relates.*

To the extent that administrators of open ccTLDs participate in the exclusion mechanism, they should be bound by the decision made under the exclusion mechanism without a requirement to prove fame in the country to which the ccTLD relates. It should not be up to the famous trademark owner to prove that its mark is famous in each country of the world to obtain the exclusion. Even if a ccTLD permits only individuals or entities with some connection to the assigned country to register a domain name (and not all ccTLDs have such exclusions), those domain names can still be freely accessed around the globe. ccTLDs will still have the ability to “opt out” from the exclusion mechanism altogether, if they do not wish to be bound by its decisions.

238. *It is recommended that the granting of an exclusion give rise to an evidentiary presumption in favour of the holder of an exclusion in the administrative dispute-resolution procedure in such a way that, upon showing that the respondent held a domain name that was the same as, confusingly similar to, or dilutes the mark that was the subject of an exclusion and that the registration of the domain name was likely to damage the interests of the holder of the exclusion, the respondent would have the burden of justifying the registration of the domain name.*

If an exclusion is already in place, why would an administrative dispute resolution procedure need to determine whether a domain name registrant may keep a domain name? Presumably, any exclusion -- and heightened “burden” -- would apply only to domain name applications made after the exclusion is in force. If WIPO intends that the procedure for obtaining an exclusion will automatically include “clearing out” all domain names pre-existing in the “exclusion zone,” this should be stated explicitly. There should be separate proceedings for determining the exclusion zone, and for “clearing out” pre-existing domain names from the zone. While we do not disagree that the burden on a domain name applicant should be high once a trademark owner satisfies the standard for fame, please see our comments above to paragraph 221 (i.e., that a challenge should nevertheless be permitted to “famous status”).

We appreciate the opportunity to submit these comments, and look forward to participating further in this process.

Respectfully submitted,

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