

# ICANN & UDRP Update

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Practicing Law Institute

Advanced Seminar on Trademark Law

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LAW

# Mike Rodenbaugh



Formerly Yahoo!'s primary attorney in charge of trademark enforcement and defense.

In 2007, Mike started his own firm assisting large and small trademark owners with prosecution, enforcement, licensing and dispute resolution, and also copyright, right of publicity and domain name matters.

# What is ICANN?

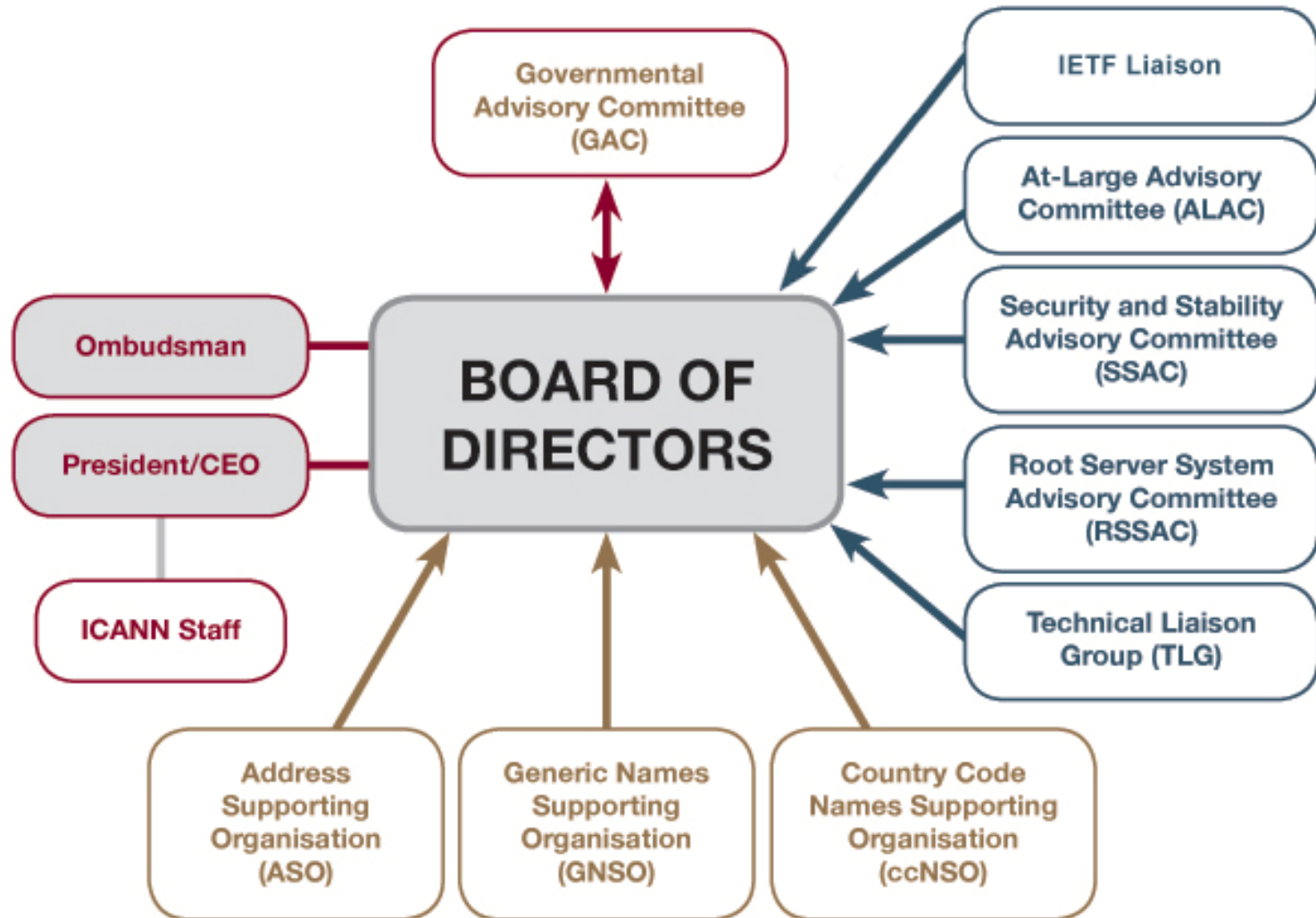


**Internet Corporation for  
Assigned Names & Numbers**

# ICANN mission statement

- To **coordinate, overall, the global Internet's system of unique identifiers**, and to **ensure stable and secure operation** of the Internet's unique identifier systems. In particular, ICANN coordinates:
  1. Allocation and assignment of the three sets of unique identifiers for the Internet:
    - **Domain names (forming a system called the DNS)**
    - Internet protocol **(IP) addresses** and autonomous system (AS) numbers
    - Protocol port and parameter numbers
  2. Operation and evolution of the DNS root name server system
  3. **Policy development reasonably and appropriately related to these technical functions**

# ICANN Org Chart



# Issues Important to Business

- New Top-Level Domains (TLDs), including Internationalized Domain Names (IDNs)
- WHOIS information
- IP and Consumer Rights Protection
- Phishing & Malware
- Registrar Accreditation Agreement
- “GNSO Improvements”

# IDNs and new TLDs are coming!

Script	Language	SLD.TLD U-labels	SLD A-label	TLD A-label
Arabic	Arabic	مثال.إختبار	xn--mgbh0fb	xn--kgbechtv
Arabic	Persian	مثال.آزمایشی	xn--mgbh0fb	xn--hgk6aj7f53bba
Chinese, simplified	Chinese	例子.测试	xn--fsqu00a	xn--0zwm56d
Chinese, traditional	Chinese	例子.測試	xn--fsqu00a	xn--g6w251d
Cyrillic	Russian	пример.испытание	xn--e1afmkfd	xn--80akhbyknj4f
Devanagari	Hindi	उदाहरण.परीक्षा	xn--p1b6ci4b4b3a	xn--11b5bs3a9aj6g
Greek	Greek	παράδειγμα.δοκιμή	xn--hxajbheg2az3al	xn--jxalpdlp
Hangul	Korean	실례.테스트	xn--9n2bp8q	xn--9t4b11yi5a
Hebrew	Yiddish	טעסט.לדעם	xn--fdbk5d8ap9b8a8d	xn--deba0ad
Kanji Hirigana, and Katakana	Japanese	例え.テスト	xn--r8jz45g	xn--zckzah
Tamil	Tamil	உதாரணம்.பரிட்சை	xn--zkc6cc5bi7f6e	xn--hlcj6aya9esc7a

# They are already here, more to come.

- Unauthorized in China and Israel
- “Public TLDs”: <http://tld.name/>
- **Many more to come** through ICANN in 2010
  - .web, .blog, .sex, .eco, .radio, .music
  - .lat, .africa, .berlin, .nyc, .paris ...
- Anywhere from 100 to 60 **million** new gTLD extensions





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TLD.NAME, your authorized TLD Registrar for Public TLDs (pTLDs) and Corporate TLDs (cTLDs).



TLD.NAME is accredited & approved by the Internet Names Authorization & Information Center (INAIC).

### Can you see the WHOLE Internet?



Art impressions by Rheanti de Panthera



### TLD News!

TLD.NAME invites you to subscribe to the newsletter TLD-News issued by the INAIC. TLD-News provides complete coverage on the fast changing TLD industry.

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TLD WHOIS Server: WHOIS.INAIC.NET

## Register Your Top Level Domain (TLD) Name Now!

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Are you able to access the whole Internet?

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# newTLD Risks to TM Owners

- Increased need for defensive registrations and/or anti-cybersquatting budget
- Increased space for phishers and other criminal actors to exploit
- Increased consumer confusion and reliance on search engines – Google gets bigger?!
- Potential newTLD brand hijacking, and/or newTLD edge to your competition?

# New Top Level Domains: Projected Implementation Timeline

- Draft Applicant Guidebook, v.3 posted – est. Q2 2009
- Final DAG Approved – est. Q4 2009
- First Round gTLD Implementation: Communications & Application launch
- **gTLD Applications Accepted** – est. Q1 2010
- Successful gTLD Applications Approved – est. Q3 2010
- **IDN ccTLDs on independent schedule**, could happen much sooner!

# “.brand” Opportunity

- Security – you own and control the TLD, can register to anyone you choose
- No domainers, squatters OR phishers?!
- Marketing – create a global community centered on your branded TLD
  - Be one of the first in your industry?
  - Develop new products?

# “.brand” Risks

- Switching from .com marketing and consumer mindset
- ICANN process
  - First-come, first-served with hefty application fee
  - Potential objections and increased cost
- Operating a TLD
  - regular ICANN compliance reporting; policy work
  - legal exposure to registrants?
  - must use ICANN-accredited registrars?
  - ongoing cost to ICANN and to operational support

# Four “Overarching Issues” to Resolve

- Trademark protection
  - Top level and higher levels, new TLDs only?
  - “Implementation Recommendation Team” (IRT) draft report issued this week
- Demand and economic analysis
  - More TLDs = More Competition and Lesser Prices??
  - University of Chicago report issued March 4th
- Security and stability
  - New TLDs, IDN TLDs, IPv6, DNSSEC – all at once?!
- Malicious conduct
  - More TLDs = More Crime

# Rights Protection Mechanisms (RPMs)

- Cybersquatting and Phishing is too quick and easy, and remedies are too expensive and slow
- ICANN Policy Development is needed to fix this
- Potential options:
  - Standardized Sunrise Registration Process
  - Faster and cheaper pre-UDRP process, with rapid DNS suspension upon default
  - Rapid DNS suspension upon evidence of phishing or malware (to be tested in dotAsia and other TLDs)

# IRT Draft Recommendations

- IP Clearinghouse, **Globally Protected Marks List** and other top and second-level RPMs
- Uniform **Rapid Suspension** (URS) Procedure
- Post-delegation dispute resolution mechanisms at the top level
- “**Thick WHOIS**” model required for new TLDs
- Use of algorithm in string confusion review during initial evaluation



# IP Clearinghouse

- Rights owner pays a fee and submits data.
- Data is validated initially and then every year.
- Data then pushed to new gTLD registry operators or pulled by registries or registrars to support applications such as:
  - **Watch Service** that will notify rights owners of applications for a term corresponding to their marks at the top and second levels;
  - **IP Claims Service** that will notify applicants and trademark owners that a current validated right exists on a term being applied for;
  - **Uniform Rapid Suspension System** (“URS”) for domain names that infringe IP rights or that support malicious behaviors;
  - **Globally Protected Marks List** which blocks applications for such terms at the top and the second level; and
  - **Sunrise submission** of data to registries during Pre-Launch rights protection procedures (“one-stop shop” for rights owners)

# Globally Protected Marks List

- 200 national trademark registrations, from at least 90 countries across all 5 ICANN Regions
  - issued on or before November 1, 2008
  - Registration of identical second level domain names in 50 TLDs
  - Identical domain name for the GPM's principal online presence
  - Nobody else owns a TM registration for the GPM
    - If so, then must have 300 TM registrations, or final judgments of fame from courts in three countries

# GPM protection

- Top level: string similarity algorithm and evaluation should knockout any applications confusingly similar to GPMs
- Second level: registry to initially block any applications to register domains identical to any GPM
  - Applicant can register only if they prove to an independent evaluator that GPM owner's rights will not be infringed
  - Watching Service

# Non-GPM protection

- Top level: Objection procedure if new TLD would infringe legal rights (hard to prove!?)
- Second level -- IP Claims Service
  - Notice to domain applicants of rights validated in the IP Clearinghouse
  - Notice to owners of those trademarks
  - Registration NOT blocked, but applicant must “opt in” after notice, and make warranties that use will be legitimate and WHOIS is accurate

# Uniform Rapid Suspension

- To solve the most clear-cut cases of trademark abuse, while balancing against the potential for an abuse of the process
- Same substantive UDRP standards apply, but burden of proof on the complainant is higher
- Complaint filed; domain locked but operating
- Email, certified letter and 2<sup>nd</sup> email to registrant
- Registrant has 14 days from first email to answer
- Default = Domain Suspension










# Uniform Rapid Suspension

- Final Examination: complaint must prove by “clear and convincing evidence” that there is no contestable issue
  - “decision in most cases could be completed in 15 minutes”
  - if not, then UDRP or court action
- Appeal via “Default Answer”, request for reconsideration, and/or filing court action
- “Abusive Complaints” – if 3 of them, then ban on use of system for one year



# Welcome to **googl.com**

For resources and information on **Keyword Marketing and Internet**

-  **Keyword Marketing**
-  **Internet**
-  **BBC**
-  **Gogl Marriages**
-  **Google**
-  **Amazon**
-  **Hotmail**
-  **News**
-  **Gogl Family Tree**
-  **Cheats**
-  **Family Research**



Haven't found what you're looking for? Then search here:

**Consumer**

**CONSUMER INTENT:  
TO VISIT BRAND SITE** →

**Brand Site**

**Consumer misspells domain name of Brand Site, enters it into browser's address bar**



↓ **AD SERVICE**  
↑ **BRAND PAYS**

**Cybersquatter's PPC Site**

**Contextual Advertising Service\***

Site serves "sponsored links" to other sites, including, in this case, one to brand owner's legitimate site

Serves the site paid links that are 'relevant' to the content. (in this case, the links include one to the brand site) User clicks...

→ **CYBERSQUATTER USES AD SERVICE**

← **AD SERVICE PAYS CYBERSQUATTER**



# Domain Name Remedies - USA

- Uniform Dispute Resolution Policy (UDRP)
  - Arbitration procedure mandated by ICANN via domain name registration agreement
  - Months for decision – No Monetary Damages
- Anti-cybersquatter Consumer Protection Act (ACPA) – 15 USC 1125(d)
  - *in personam*
  - *in rem*

# UDRP Elements

- Domain Name is identical or **confusingly similar** to a trademark in which Complainant has rights
- Respondent has no **legitimate rights** in the Domain Name
  - bona fide use or preparation to use prior to notice of a dispute
- Domain Name was registered **and** used in **bad faith**
  - demonstrated specific intent

# UDRP Stats

- National Arbitration Forum (NAF): 1770 cases in 2008; 10,600 total cases
- World IP Organization (WIPO): 2329 cases in 2008; 14,000 total cases, 25,000 domains
- 57 ccTLDs use WIPO to administer UDRP or modified version of UDRP
- Filing fees: NAF = \$1300 (1-2 domains); WIPO = \$1500 (1-5 domains)
- CIETAC (HK) and Czech providers also

# UDRP Practice Pointers

- Be careful with choice of mutually agreed jurisdiction
  - you could end up in court in India...
- Always request transfer; never cancel
- Treat the Complaint like a motion for summary judgment
- Follow up to make sure the name is transferred and that it doesn't resolve to the old website
  - The **registrar** is responsible for transferring the domain name

# Domain Name “Tasting”

- Register and “taste” name for 5 days
- Measure traffic & revenue via PPC ads
- Return 98% of domains for full refund
- Keep and pay for profitable domain names
- Monetize domain names via PPC ads, popups, redirection
  - Get paid by Google or Yahoo!
  - Wait for C&D, UDRP or ACPA complaint
  - Ignore notice, continue to profit...

verisontones.com  
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verizonpennsylvania.com  
verizonpage.com  
verizonreup.com  
verizonphonelisting.com  
verizonphonecompany.com  
verizonringones.com  
verizonringbacktunes.com  
verizonring.com  
verizonsweepstakes.com  
verizonsw.com  
verizontunes.com

# Domain Name Tasting – Nearly Dead

- Smaller payouts from Google and Yahoo!, so less PPC profit for commercial tasters
- Massive cybersquatting judgments and settlements to large brandowners
- ICANN Consensus Policy adopted!
  - Registrars now must pay full price if they delete more than 10% of the names they register in any month
  - Huge drop in deletes
  - Still a few bad actors, and ccTLDs where tasting is encouraged

# Victories by Brandowners

- Verizon v. Navigation Catalysts, preliminary injunction granted, all standard trademark defenses rejected
- Verizon v. OnlineNIC, \$33 million judgment
- Verizon, Dell and Yahoo! suing ICANN-accredited registrars, avoiding immunity under ACPA by arguing registrars' "bad faith"



# Failed ACPA claim

- ***Philbrick v. eNom, Inc.*, 2009 WL 152127 (D.N.H. Jan. 22, 2009)**
  - dismissed all of plaintiff’s trademark claims against the defendant domain name registrar, even though:
    - “parked” domain name nearly identical to plaintiff’s trademark
    - defendant profited from the use of a pay-per-click web page featuring links to competing goods
  - personal name mark not inherently distinctive, and secondary meaning not proved

# Overreaching?

- *Frayne v. Chicago 2016*, 2009 WL 65236 (N.D. Ill. Jan. 8, 2009)
  - IOC licensee brought UDRP, domainer sued
  - No claim for “attempted reverse domain hijacking”
  - Claims could proceed re violation of free speech and equal protection rights
- “Las Vegas Market” cases

# Phishing Attacks Multiply

- Number of incidents and of targeted brands continues to rise
- Sophistication and efficiency of attacks continues to rise – esp. “fast flux” abuses
- Social networks frequently targeted, enabling “spear phishing”
- Phone, VOIP and IM phishing now common
- IDNs becoming more widespread

# Malware proliferation

- Change in emphasis - now Crimeware
- Organized crime with specialists creating sophisticated attacks
- Open up computers to become zombies
- Install keyloggers and scan for user/pass
- Capturing and using address books
  - Direct targets for sophisticated social engineering
  - Going after “whales” - people with high-value assets

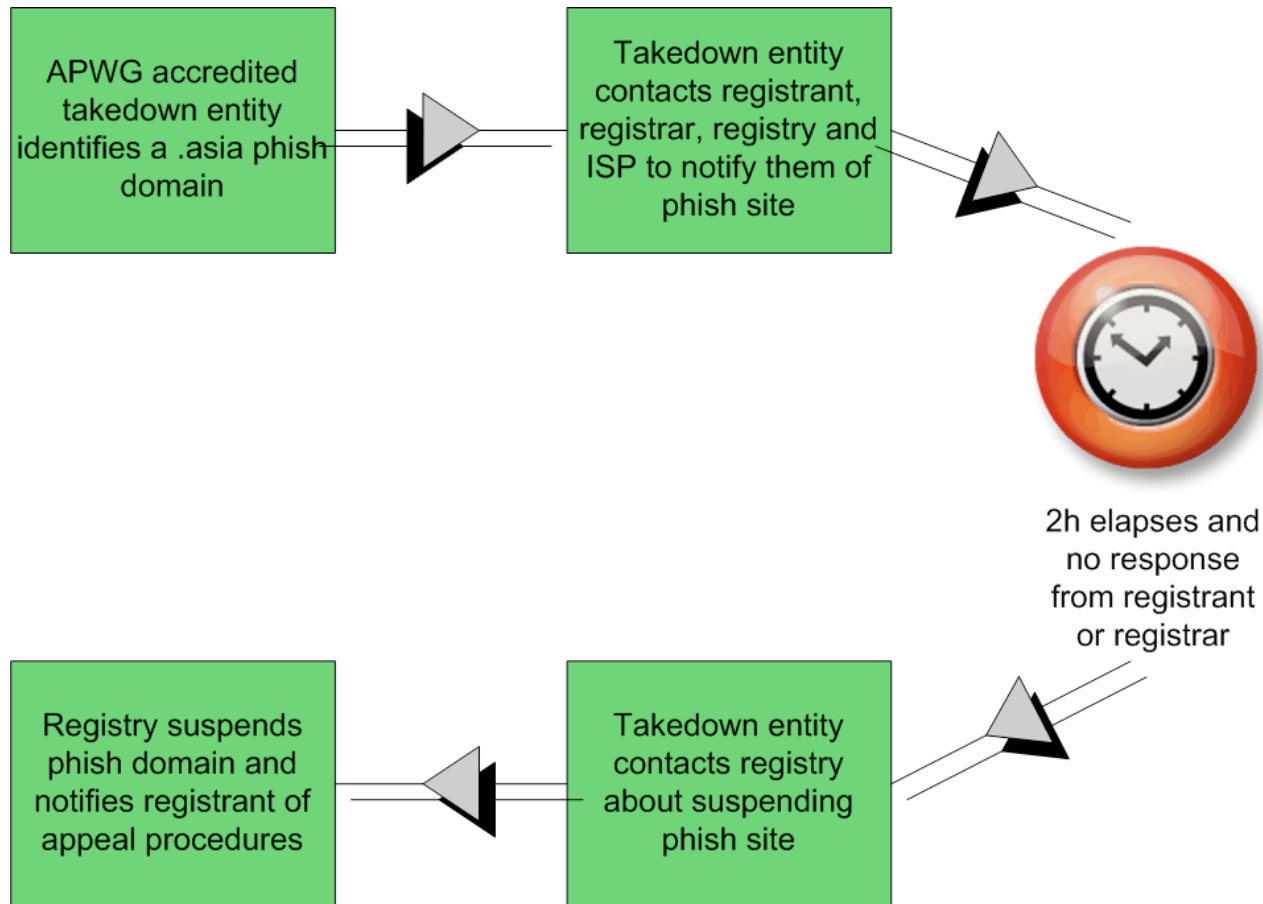
# Fast-Flux for Phishing Increasing

- More Players?
  - More “how-to” kits seen on flux and fraud DNS networks
  - High volume of lures for fast-flux incidents – personalized & tracking
- More Targets
  - Attacks against traditional targets continue relentlessly
  - “Little Guys” hit hard with fast-flux on first ever phish
    - Overwhelming infrastructure and personnel
    - Losses occurring quickly – major cash-outs in short amount of time
- More Sophistication!
  - Routine blocking of monitoring efforts
  - Better DNS set-ups (self-defined, and use of ccTLD nameservers)
  - Finding and using the worst registrars to handle mitigation
- CrimeDNS = High availability DNS systems for hire
- SSAC Report (SAC 025); GNSO Issues Report
- GNSO Working Group near completion

# SSAC: possible mitigation steps

- Authenticate contacts before permitting changes to name server configurations.
- Implement measures to prevent automated (scripted) changes to name server configurations.
- Set a minimum allowed TTL (e.g., 30 minutes) that is long enough to thwart the double flux element of fast flux hosting.
- Implement or expand abuse monitoring systems to report excessive DNS configuration changes.
- Publish and enforce a Universal Terms of Service agreement that prohibits the use of a registered domain and hosting services (DNS, web, mail) to abet illegal or objectionable activities (as enumerated in the agreement) and include provisions for suspension of domain names that are demonstrated to be involved in fast flux hosting.

# Process Flow: Registry Suspension of Phish Domains



# Registrar Accreditation Agreement (RAA)

- Review of RAA which has been in force since May 2001, as a result of RegisterFly fiasco in early 2007
- Six specific amendments are proposed, as a result of consultations between ICANN Staff and the Registrars' Constituency
  - include terms under which a registrar can be sold and continue to retain its ICANN accreditation
  - address the responsibilities of a parent owner/manager when one or more of a "family" of registrars fails to comply with ICANN requirements
  - require registrars to escrow contact information for customers who register domain names using Whois privacy and Whois proxy services
  - augment the responsibilities placed on registrars with regard to their relationships with resellers
  - require operator skills training and testing for all ICANN-accredited Registrars
  - include additional, graduated contract enforcement tools



# WHOIS

*Whois is a publicly-accessible database containing contact information of website owners.*

*ICANN contracts require collection and public access to Whois data.*

## **Registrant for JOE6PK.COM**

**Joseph Q. Paquette  
1787 St. Paul St.  
Denver, Colorado 80206  
United States**

## **Administrative Contact:**

**Joseph Q. Paquette joe@joe6pk.com  
1787 St. Paul St.  
Denver, Colorado 80206  
1-303-245-4567**

## **Technical Contact:**

**Domains R Us  
info@domainsRus.com  
123 Main St  
Los Angeles, CA 85000  
1-480-555-1000  
United States**

# WHOIS info is vital



- Shows ownership information for domains
- Includes complete contact information
- Available to any Internet user
- Used by businesses to verify customers
- Used by IP and law enforcement to protect brands and prevent consumer fraud
- Provides accountability

# WHOIS Policy Development is Glacial

- No consensus despite 8 years of debate
- Staff currently costing out various studies requested from both sides of debate
- Realization that current system is not technically adequate for IDNs or otherwise
- More stringent policies likely to apply to newTLDs (i.e. “thick registry” models)

# GNSO “Improvements”

- All of ICANN’s SO’s must undergo a review every three years, per bylaws
- There is sentiment that GNSO does not work as effectively as it should
- Subcommittee of ICANN Board Governance Committee has made a proposal, subsequent and different than two other expert reviews
- Proposal would cut Business interests (BC, IPC and ISCPC) from 1/3 voting power, to 1/5

# Help!!

- Please join the Business Constituency!
  - 1000 euro/year for large enterprises
  - 160 euro/year for small enterprises
  - Active mailing list & regular teleconferences
  - Influencing ICANN policy development on behalf of all businesses
- [www.bizconst.org](http://www.bizconst.org)
- [mike@rodenbaugh.com](mailto:mike@rodenbaugh.com)

