

**BUTERA & ANDREWS**  
Attorneys at Law  
1301 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-1701  
202-347-6875  
Philip S. Corwin, Partner  
[pcorwin@butera-andrews.com](mailto:pcorwin@butera-andrews.com)

November 30, 2009

By E-Mail

Peter Dengate-Thrush, Chairman of the Board  
Rod Beckstrom, President & CEO  
Internet Corporation for Assigned Names and Numbers (ICANN)  
4676 Admiralty Way, Suite 330  
Marina del Rey, CA 90292-6601

Dear Chairman Thrush and President Beckstrom:

**I am writing on behalf of the domain name investors and developers of the Internet Commerce Association in regard to the apparent intention of two ICANN-accredited UDRP providers to launch a parallel, expedited form of the UDRP in the first quarter of 2010 by mere amendment of their Supplemental Rules. For the reasons outlined below, we believe that ICANN should immediately advise these providers that such action is a significant change in a fundamental policy that can only be undertaken following GNSO review and a vote of approval by the ICANN Board.**

On November 11<sup>th</sup> ICANN publicly announced that the Czech Arbitration Court (CAC) was proposing its own version of fast track UDRP and that a 30 day comment period had started running, with input due by December 11th (<http://icann.org/en/announcements/announcement-2-11nov09-en.htm> ). Details of the proposed alteration of CAC's Supplemental Rules are available at <http://www.icann.org/en/dndr/udrp/cac-proposed-supplemental-rules-11nov09-en.pdf> . Since that announcement Mr. Zbynek Loebel, Counsel to the ADR.EU Center of the CAC and an author of the proposed Expedited Decision Case (EDC) variant of the UDRP, has posted a statement at the Domain Name Wire website (<http://domainnamewire.com/2009/11/12/coming-soon-file-a-udrp-domain-name-dispute-for-250/>) stating, "We have been discussing our proposal with ICANN lawyers for several weeks before the public comments started and **we will implement the proposed procedure only after receiving an approval of ICANN**. We believe that our proposal is in compliance with UDRP."(Emphasis added.) While we do not concur with all of the views expressed by Mr. Loebel in response to the related news article and other comments

thereon, we do appreciate the public concession by the CAC that it will implement the EDC only after receiving approval to do so from ICANN.

Unfortunately, that recognition of ICANN's inherent authority has not been duplicated by the World Intellectual Property Organization (WIPO), which is threatening to initiate a similar expedited UDRP variant by unilateral fiat. WIPO's Arbitration and Mediation Center apparently intends to propose a "fast-track" UDRP process before the end of 2009 and, following a 30-day public comment period, to implement this new process in the first quarter of 2010. The "trial balloon" announcement of this intent came in the form of a November 2<sup>nd</sup> article published by Managing Intellectual Property (<http://www.managingip.com/Popups/PrintArticle.aspx?ArticleID=2328845&issueID=73516&categoryID=>) Despite Center Director Eric Wilbers' own characterization of this process as a momentous "watershed" and his prediction that the fast-track process will be requested in at least half, if not more, of all cases now proceeding through a full UDRP proceeding, WIPO is nonetheless asserting that it can implement this major substantive change in the domain dispute arbitration process as a mere supplement to its UDRP Supplemental Rules -- and absent any need to amend the UDRP or, apparently, to receive advance approval from ICANN. In a November 3<sup>rd</sup> e-mail sent to "WIPO Panelists" Mr. Wilbers stated, "Our hope is to introduce the WIPO UDRP Fast-Track option, after a period of internal WIPO development and informal consultation with WIPO panelists, **and having provided appropriate notice to ICANN** and WIPO UDRP stakeholders, in the first quarter of 2010." (Emphasis added.) Providing notice to ICANN is hardly equivalent to recognition of ICANN's authority and of the need to receive advance ICANN approval prior to any implementation of the contemplated "Fast-Track option".

**Our professional registrant members are extremely concerned about the potential adverse impact of the momentous "watershed" changes contemplated by CAC and WIPO upon their procedural and substantive due process rights in UDRP cases. We believe that such changes are significant policy initiatives that can only be implemented following GNSO review and ICANN Board approval.**

**Therefore, we are hereby requesting that ICANN immediately advise both CAC and WIPO that they have no independent authority to unilaterally adopt any UDRP policy change that extends beyond the narrow definition of "Supplemental Rules" contained in the Rules for Uniform Domain Name Dispute Resolution Policy published at <http://www.icann.org/en/udrp/udrp-rules-24oct99.htm> . We also believe that these providers should be advised that if they proceed with implementation of their contemplated expedited UDRP variants they will be stripped of their accreditation as a UDRP arbitration provider as they would no longer be adhering to ICANN's official UDRP policy.**

The referenced definition of Supplemental Rules states:

*Supplemental Rules means the rules adopted by the Provider administering a proceeding to supplement these Rules. Supplemental Rules shall not be inconsistent with the Policy or these Rules and shall cover such topics as fees,*

*word and page limits and guidelines, the means for communicating with the Provider and the Panel, and the form of cover sheets.*

The draft of CAC's proposed changes to its Supplemental Rules clearly goes beyond the narrow confines of this definition. For example, a complainant filing under the EDC would be foreclosed from choosing a three-member panel or filing a Class Complaint, and these are substantive details that extend beyond such administrative and procedural matters as fees, word and page limits, and means of communicating with CAC and its panelists. Likewise, the draft proposes to amend the Supplemental Rules with novel and untested substantive standards relating to evidence and equitable treatment ("too factually or legally complex"; "unfair or otherwise inappropriate") that are clearly outside the defined bounds of such Rules.

While it is impossible to fully evaluate the WIPO proposal in the same manner in advance of its publication, as described by Mr. Wilbers in the article and the e-mail referenced above it likewise appears to go beyond the narrow confines of the relevant definition. Sweeping procedural changes can affect substantive rights and, indeed, Mr. Wilbers describes the contemplated changes as constituting "an adjustment to WIPO case practice under the UDRP". An organization that has an inherent institutional bias in favor of trademark owners cannot be permitted to implement unilateral and non-reviewed policy changes to alter UDRP case practice in a manner that can fundamentally and adversely affect the rights of domain registrants.

We are quite disturbed by WIPO's overall conduct in this matter. For example, WIPO chose to delay full public revelation of its intentions until just after the conclusion of the ICANN meeting in Seoul, thereby depriving participants and the ICANN Board of any opportunity to raise questions about the proposal with attending members of the WIPO staff, as well as preventing the Board from receiving community feedback on both the proposed WIPO implementation process and the substance of this fast-track proposal. Yet WIPO staff did see fit to provide a detailed briefing, complete with PowerPoint presentation, to the Intellectual Property Constituency's (IPC) October 27<sup>th</sup> meeting in Seoul. It seems quite disingenuous for WIPO staff to participate in public discussions of trademark protections for new gTLDs – including its most controversial element, the Uniform Rapid Suspension (URS) proposal -- while failing to note WIPO's intention to introduce a very similar fast-track process for existing gTLDs. WIPO appears to have decided that this plan merited detailed explanation to a sympathetic constituency but no mention to the full ICANN community, where it would almost surely have raised significant questions and concerns given its close relationship to the ongoing attempt to find consensus on trademark protections for new gTLDs.

Beyond such inexplicable conduct, WIPO's apparent belief that such a fast-track process can be adopted as an amendment to its Supplemental Rules absent formal amendment of the UDRP or approval by ICANN's Board lacks credibility when measured against other contemporaneous developments.

For example, ICANN's Board commendably recognized that the proposed URS process for new gTLDs was a significant policy issue that required further opportunity for Generic Names Supporting Organization (GNSO) consideration, and the GNSO in turn has constituted a Specific Trademark Issues Review Team (STI-RT) to expeditiously prepare recommendations for GNSO consideration so that it might meet the Board's timetable for rapid feedback by mid-December. The URS and CAC's contemplated EDC, as well as WIPO's fast-track initiative, are all strikingly similar in their potential benefits for complainants in the form of lower fees and faster decisions. Their end result may even be identical, as the STI-RT is now considering allowance for a successful URS complainant to have a suspended domain transferred to its control at its option following some time interval after evaluation on the merits.

But they are strikingly dissimilar in terms of establishing a balance in recognition of registrant rights, as CAC's and WIPO's contemplated unilateral alterations of the UDRP contain none of the registrant safeguards that are currently on the table in the STI-RT discussions of the URS. These include a higher evidentiary evaluation standard and/or clearly articulated standards for a valid complaint, random selection of panelists, effective sanctions for complainant abuse, an accessible internal process for de novo appeal, and mandatory periodic review to evaluate its operation in practice. Such balancing protections should be part of any expedited variant of the UDRP and can only be accomplished through alterations that go beyond mere amendment of Supplemental Rules and that fully involve ICANN's policy process.

If the URS is a policy supplement to, and separate and apart from, the existing UDRP then how can the CAC and WIPO proposals possibly be viewed as mere UDRP procedural rule changes that require no GNSO consideration or ICANN Board approval?

Recent action by ICANN's Board also makes clear that the proposed CAC and WIPO initiatives require Board approval. At its Seoul meeting the ICANN Board approved WIPO's proposal for paperless UDRP filings.

If a mere change in the mechanical procedures by which UDRP cases are filed requires ICANN Board approval then how can a vast substantive change that is predicted by WIPO itself to displace at least half of all standard UDRP filings possibly be implemented absent ICANN Board approval?

In addition to the speed of the fast-track process, CAC's proposed fee schedule for the EDC would reduce complainant costs by one-half or more, and Mr. Wilbers has been quoted stating that the WIPO fast-track fee will be "substantially reduced". Such a significant reduction in costs can be anticipated to result in increased UDRP filings overall, heightening the need for appropriate registrant protections. Further, permitting some UDRP arbitration providers to unilaterally adopt new UDRP policies when complainants have complete freedom to choose their arbitration forum will likely cause

the other ICANN-accredited providers to defensively offer their own fast-track variants, as well as additional lures to attract forum shopping complainants. The resulting race to the bottom among accredited arbitrators may not only diminish remaining uniformity of application of the UDRP but could well leave registrant due process rights in tatters.

To be clear, ICA is not opposed to consideration and adoption of a faster and less expensive process for those UDRP cases in which respondents default or there are no disputable material facts. Indeed, throughout the consideration of trademark protections for new gTLDs as well as the URS we have urged ICANN to implement a UDRP reform policy development process (PDP) that would assess the first decade of experience with the UDRP and then adjust it to implement procedural reforms, as well as address abuses perpetrated by both registrants and complainants. As we stated in our August 12<sup>th</sup> comment on the “paperless UDRP” proposal, “We continue to strongly urge ICANN to establish an expedited PDP for UDRP reform at both incumbent and new gTLDs, and to consider entering into formal contractual relationships with UDRP providers.”

**A formal UDRP PDP would respect the policymaking role of the GNSO and be consistent with the bottom-up consensus model on which ICANN is based, and would likely result in balanced reform with benefits for all. The CAC and WIPO proposals, to the contrary, usurp the role of the GNSO, give grave affront to the ICANN operating model by substituting top-down decision-making by UDRP providers, and will result in unbalanced alterations of the UDRP process to the substantial due process detriment of registrants. Allowing these proposals to proceed unchecked could undermine ICANN’s legitimacy throughout its constituent community at the very time when its operation under the new Affirmation of Commitments (AOC) is being most keenly observed.**

These proposals also threaten to undo the remarkable collegiality and civility that characterized the Seoul meeting, and to derail the work product of the STI-RT. The ongoing work of that group since it first convened in Seoul portends an ability to take the URS proposal of the Implementation Recommendation Team (IRT), as well as the ICANN staff assimilation thereof, and utilize them as the basis for a balanced policy recommendation for GNSO consideration and approval. But now the CAC and WIPO proposals, which seem nothing less than a version of URS for existing gTLDs, threaten to become the destabilizing “elephant in the room” that the STI-RT must somehow factor into its deliberations. We question what incentive members of the IPC and other trademark interests will have to accept a balanced URS approach for new gTLDs when they see the real possibility that existing UDRP providers can implement an expedited dispute process that is heavily weighted in their favor?

Finally, while it is a longer-range consideration than the need for immediate injunctive action by ICANN vis-à-vis CAC and WIPO, these troubling initiatives reinforce the need for UDRP reform to result in formal contractual relationships between ICANN and its accredited arbitrators. As I stated at the Public Forum in Seoul:

<http://sel.icann.org/public-forum>

*The second thing, we think it's a mistake not to have a contractual relationship with the URS provider.*

*Accreditation is about capacity, but contracts are about performance, about having clear standards for judging performance, and for having measures of enforcement short of the death sentence of deaccreditation to discipline the provider if they're not adhering to what they're supposed to do.*

*We found with the RAA that ICANN needed intermediate steps. We think the same thing should be available against URS providers.*

*Thank you very much.*

*>>PETER DENGATE THRUSH: Thank you. Very thoughtful comments.*

I had no idea when I delivered those remarks that the need for strong contractual relationships with existing UDRP providers would be illustrated so swiftly, but the CAC and WIPO announcements clearly drive the point home.

**In conclusion, on behalf of our members and other registrants subject to the UDRP, and to preserve fair balance in the UDRP as well as to defend the integrity of ICANN's policymaking process, we urge ICANN's Board and staff to take decisive and immediate steps to intervene and assert its decision-making prerogative over the CAC and WIPO initiatives to unilaterally implement unbalanced and unauthorized UDRP variants.**

Thank you in advance for your expeditious consideration of our request.

Sincerely,  
Philip S. Corwin  
Counsel, Internet Commerce Association

Cc: Doug Brent; Kurt Pritz