F.A.O: **Cherine Chalaby, Esq.**

Chairman, ICANN Board

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Cc: **Göran Marby, Esq.**

ICANN President and Chief Executive Officer

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The UDRP: Protecting rights, protecting consumers

Dear Mr Chalaby,

On behalf of **MARQUES** the European Association of Trade Mark Owners, we write in connection with ICANN's planned review of the Uniform Domain Name Dispute Resolution Policy (UDRP).

MARQUES represents brand owners' interests. **MARQUES** members are European and international brand owners and the intellectual property professionals who work with them in the fields of trade marks, designs and related IP matters. These brand owners and practitioners, together, represent billions of dollars of trade annually, owning more than three million domain names including some of the world's most prominent e-commerce sites and advising organisations of all sizes on rights protection in the domain name system. These domain names are relied upon by consumers across Europe and beyond as signposts of genuine goods and services.

More information about our Association and its initiatives is available at www.marques.org.

The UDRP was developed for ICANN by the World Intellectual Property Organization (WIPO) in 1999, and remains the only affordable tool available to trademark owners for tackling clear-cut cases of cybersquatting. It offers a transparent and predictable process featuring independent experts and effectively shielding registration authorities from court action. Electronic case administration results in most cases being decided after a single round of pleadings within 60 days, building a vast body of reasoned UDRP jurisprudence. As you are aware, the UDRP is applicable to both legacy and new gTLDs, wherever in the world the registrant or complainant is based, offering local language filing and enforcement across borders. Over 75 ccTLDs now also operate a Dispute Resolution Service that either matches or is based upon the UDRP. Many others, such as the UK, feature policies developed upon the foundation of the UDRP.

ICANN's Rights Protection Mechanism (RPM) Working Group is due to undertake the first ever review of the UDRP as phase 2 of its work, once the work on reviewing the New gTLD RPMs is complete. The Charter for this review states that the Working Group is *"Tasked to provide new policy recommendations regarding the UDRP"*.

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We believe that there should be no changes to the UDRP unless such changes are based upon fact. The UDRP has been operating now for nearly 20 years. It has done so effectively, and without serious issue – in particular only the rarest of tens of thousands of cases are "appealed" to court. Although there are certainly aspects which warrant improvement from a brand owner perspective, we would rather the status quo remained than to risk so-called "procedural changes" based upon bias, anecdotes and edge-cases, rather than evidence. The danger of a "ripple effect", causing unintended substantive consequences, is severe. The UDRP is too important to risk harming it by an ill-informed review process.

We therefore suggest that ICANN convenes a small group of experts to gather evidence and information from interested parties including ICANN's contracted parties and organizations representing both trademark interests and registrant interests. This small group should identify any priority issues and possible solutions for the current RPM Working Group to take forward. ICANN could request the World Intellectual Property Organization as the global leader, which was commissioned in 1998 to develop a solution which became the UDRP, to select and chair this independent expert group.

As part of this expert consultative process, we also recommend that ICANN staff work with UDRP providers and other experts to collect and synthesize factual data on the UDRP's functioning. For example, definitive information on the number of cases, domains, defaults, settlements, and panel decisions (including transfers, denials, and those where a finding of Reverse Domain Name Hi-Jacking was made or rejected); the typical costs to a registrant or brand owner; registrar noncompliance with ICANN contractual rules; etc., can only assist ICANN's review effort.

The benefits of such an open, expert-led process, are clear:

- The RPM Working Group will have a strong factual foundation to build upon
- The RPM Working Group can work more efficiently: it is currently bogged down in the first part of its RPM review in part because there is no agreement on facts
- Voices of registrants and rights owners who do not have the time or resources to participate in a Working Group can be heard
- Areas of most importance can be focussed on
- The globally leading UDRP provider, WIPO, which is an agency of the United Nations with over 190 member states, without whom there would be no UDRP stability, will be able to provide the data-based expertise called for under ICANN's Bylaws

Members of **MARQUES** attend ICANN Meetings, participate in Working Groups and are members of Stakeholder Groups within ICANN. Some are owners of closed Dot Brand registries. Others own unrestricted open registries. We work alongside members of the ICANN community with different views of the UDRP from ours but we hope that all parties support data driven policy making. Gathering the views of informed experts as well as factual data on the UDRP in advance of its formal review is not controversial.

To help you assess the validity and viability of this request, we have set out below a summary of the very wide views held by different members of the ICANN community on the UDRP. The views in Table One, below, are not meant to be definitive or scientific or even to balance each other but simply to reflect the very broad range of ideas relating to UDRP change that have been proposed in one forum or another over the past year or so.

Table One: Issues	Some ideas favoured by those supporting registrants	Some ideas favoured by those supporting rights owners
Decisions	Three person panels are fairer and should be mandatory in all cases.	An abusive registration is a domain registered **OR** used in bad faith
Appointment of panellists	All panellists should be selected in taxi-rank order or on a randomized basis to avoid bias. Panellists cannot be advocates for complainants.	Panellists should be appointed in providers' discretion in function of their expertise and experience.
Appeals	Registrants who receive a bad decision are denied justice. There should be an internal appeals process in addition to court options.	Appeals, if allowed in future, must be filed within 28 days. The appellant must pay a non-refundable fee large enough to deter the vexatious.
Action	A complaint should not be brought if the domain has been registered for three years or more, or refile a losing case.	If a registrant loses three cases, there should be a presumption of bad faith and the case decided in the complainant's favor.
Scope	If a domain is being used in a way that has no relation to the class of goods or services under which the trademark was registered, the complaint should fail.	A losing registrant should be required to disclose their entire domain name portfolio and barred from further registrations.
Jurisdiction	A complaint should fail if the domain is used outside the jurisdiction of the trademark.	Registrants should not be permitted to claim ignorance of a trademark given the Internet's global reach.
Timing	Registrants should be given six weeks to respond.	There should be an expedited default process without the need for a full panel decision in favour of the complainant where there is no response.
Costs	ICANN should subsidise the training of panellists and review their decisions.	ICANN should subsidise the costs of UDRP providers and complaints.
Penalties	There should be stricter penalties for Reverse Domain Name Hi-Jacking (RDNH).	Loser pays: registrants subject to a complaint should pay e.g. $500. This is refunded if they win but not if they lose.

In support of our request to you to gather meaningful data, we have undertaken our own research into both the true number of filings and the cost to rights owners of filing UDRPs. We believe our information to be true but others may produce alternative data. This is precisely why we ask you to commission neutral research that covers the cost and impact of cybersquatting on rights owners from WIPO which was commissioned in 1998 to develop a solution which became the UDRP.

Table Two below is our count of the number of UDRP cases filed between its launch in 1999 and December 2018. We have not been able to gather complete information on the number of domain names because in addition to WIPO only one of the seven current or former providers publish this information, which reinforces our request for better data. Indeed, we strongly recommend that ICANN asks all providers to publish data as WIPO does to enable meaningful comparisons of trends.

Table Two UDRP Providers	Number of Case Filings as at December 2018	Number of Domain Names
World Intellectual Property Organization (WIPO)	42,535	78,505
National Arbitration Forum	25,750	Not published
Asian domain Name Dispute Resolution Centre (ADNDRC)	2,209	2,797
Czech Arbitration Court Centre for Internet Disputes (CAC)	1,113	1,743
Arab Centre for Domain Name Dispute Resolution (ACDR)	4	5
International Institute for Conflict Prevention and Resolution (CPR) and eResolution *	427	541
Total	72,038	109,341**

*= Former provider
** Minimum Total - assumes that cases for providers where the number of domains is not specified involved only a single name; almost certainly an under-estimate.

At WIPO (a non-profit provider) alone, rights owners have spent at least $63,802,500 in official fees (2/3 of which go to the panels), which start at $1,500 per case. This is just a fraction of the actual cost, however. If we assume that it costs an average of $5,000 for a complainant to file a case, inclusive of the official fees charged by the providers and the costs of outside counsel, then the cost to IP owners, including our members, since the UDRP was launched is a staggering $360,190,000 for all cases.

Note that this estimate is thought by many of our members to be low. They also point out that our cost estimate of $360m excludes in-house expenditure of resources, lost income, the cost of domain name watching to identify abusive registrations, the filing of blocks or defensive registrations in sunrise or General Availability. And of course none of this factors in the cost to

consumers, financial or otherwise, who may be deceived by cybersquatted domain names before any UDRP can be brought.

This lowest-case estimate of $360m is a very significant financial burden. Registrants, on the other hand, pay only for their own defence, if any. They do not pay damages, or even contribute to the provider fees, if they lose – which across the five active panel providers appears to be majority of the time. Complainants win, according to our study, in c. 85% of all cases. They are not barred from future infringing registrations creating a whack-a-mole dilemma for brand owners.

In light of the above concerns, we hope that you agree that the gathering of a standardized set of data on the UDRP is important: there is too much at stake to allow those with the loudest voice[1] to influence changes in UDRP policy or procedure which could have far-reaching consequences for ICANN, its contracted parties, and indeed for rights owners and the consumers who depend upon the enforcement of these rights, including through the well-functioning UDRP. In the age of fake news, hard facts are needed.

We thank you for your time and consideration and we are willing to meet with ICANN staff to discuss our requests.

Yours sincerely,

On behalf of **MARQUES**

Nick Wood, **MARQUES** Council member and Vice-Chair of **MARQUES** Cyberspace Team

[1] We are aware of various complaints having been filed in ICANN working groups concerning members' behavior.