

GNSO
Special Trademark Issues : Trademark Clearing House
25 November 2009 at 15:30 UTC

Note: The following is the output of transcribing from an audio recording of the Special Trademark Issues meeting on Trademark Clearing House held on 25 November 2009 at 15:30 UTC . Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors. It is posted as an aid to understanding the proceedings at the meeting, but should not be treated as an authoritative record. The audio is also available at:

<http://audio.icann.org/gnso/gnso-sti-20091125.mp3>

On page:

<http://gnso.icann.org/calendar/index.html#nov> <<http://gnso.icann.org/calendar/index.html#nov>>

(transcripts and recordings are found on the calendar page)

Participants on the Call:

gTLD Registries Stakeholder Group
Jeff Neuman

Registrar Stakeholder Group
Jon Nevett – chaired the call
Jeff Eckhaus

Commercial Stakeholder Group
Paul McGrady – IPC
Mark Partridge – IPC

Zahid Jamil- CBUC
Mike Rodenbaugh - CBUC

Non Commercial Stakeholder Group
Konstantinos Komaitis – NCSG
Robin Gross- NCSG
Kathy Kleiman - NCSG
Wendy Seltzer –NCSG

Alan Greenberg - At Large
Olivier Crépin-Leblond - At Large alternate

ICANN Staff in attendance:

Kurt Pritz
Liz Gasster
Margie Milam
Marika Konings
Amy Stathos
Glen de Saint Gery

Apologies:
Davis Maher – Chair

Coordinator: The recordings have been started.

Jon Nevett: Great. Could someone take role?

Glen de Saint Ge'ry: Shall I do a roll call for you?

Jon Nevett: That would be great. Thank you.

Glen de Saint Ge'ry: Fine. Good morning, good afternoon everybody. We have on the call
Zahid Jamil.

Zahid Jamil: Here.

Glen de Saint Ge'ry: Kathy Kleiman, Alan Greenberg, Jon Nevett, Jeff Neuman, Olivier Crepin-
Leblond, Mark Partridge, Konstantinos Komaitis, Mike Rodenbaugh, Wendy
Seltzer and Paul McGrady. And for staff we have Margie Milam, Amy
Stathos, Liz Gasster, Marika Konings and myself, Glen de Saint Ge'ry. Have I
missed off anybody?

((Crosstalk))

Glen de Saint Ge'ry: Thanks Jon.

Jon Nevett: Well thank you Glen. Thanks Glen.

Glen de Saint Ge'ry: There you go.

Jon Nevett: Okay. So today we are talking about the Trademark Clearinghouse. I just
read the transcript of last week's and it looked like we ended a little early last
week. So hopefully we could finish the Clearinghouse issues and then we can

finish that one last topic on the URS that we left off yesterday that there has been some email traffic on lately with – so Jeff and Mike and Alan on the transfer, the holding period.

So let's launch into the Trademark Clearinghouse unless there is any housekeeping items. Margie your hand is raised?

Margie Milam: Yes. I have a suggestion...

Jon Nevett: Okay.

Margie Milam: ...especially if we run – if we are able to have extra time. I took a look at the Board letter to the GNSO and I know we have been spending a bit of our time on, you know, an alternative proposal. But the Board does ask quest – specific questions related to the Trademark Clearinghouse. And I – what I did was I set – put them up in a document, the questions, so maybe we can look at it at the end of this call if we have time and just to get a sense for whether we want to make sure that we have addressed all those issues or, you know, ask the group how we want to respond with respect to that part of the letter because I – it seems like we just focused on the alternative proposal but haven't really looked at the rest of the letter and I just wanted to bring that to your attention.

Jon Nevett: Okay. So the letter said keep in mind in discussing consensus position the following questions right?

((Crosstalk))

Jon Nevett: There...

Margie Milam: Yes. There is like a series of eight of them. And I have...

((Crosstalk))

Coordinator: Excuse me, Robin Gross has now joined.

Margie Milam: Oh.

Jon Nevett: Thank you.

Margie Milam: ...address them.

Jon Nevett: Sorry. Go ahead Margie.

Margie Milam: Oh. We – I have them posted. We can look at it when we have – when you – at the end of the session...

Jon Nevett: Okay.

Margie Milam: ...and to see whether...

Jon Nevett: Yes.

Margie Milam: ...you know, we want to discuss how we want to approach them.

Jon Nevett: Great. That makes sense. Paul?

Paul McGrady: Yes. Just a housekeeping note. I just circulated the draft, the proposed draft notice for IP Claim Service. And for those of you who may not have checked your email it should be there by now. And that is from Cathy and me.

And I know this is not supposed be said ICANN calls but we really had a good time working on this and so we hope you guys like it.

Cathy Kleiman: We did have a good time.

Jon Nevett: Well thank you Paul, Alan?

Alan Greenberg: Yes, another housekeeping one. I noticed the meetings that were scheduled – that are being scheduled for next week are all one hour. And I just wanted to make sure that was intentional and not accidental because I am in the process of trying to schedule other meetings around them.

Jon Nevett: Okay. And then Margie had a response...

Alan Greenberg: Okay.

Jon Nevett: ...that I just saw pop up.

Margie Milam: Yes. That was unintentional. We have been doing an hour and a half and I would suggest we reserve an hour and a half. If we finish early that is great but, you know, that might alleviate having four calls next week if we do it like this, so.

Alan Greenberg: Okay. That is what I suspected. I thank you.

Jon Nevett: Okay. Is that acceptable to everyone? We are talking about six hours of calls next week then.

Woman: I am unlikely to be able to make most of them. Just wanted to, you know.

Jon Nevett: Okay. For people who are not on this call, those notices should be revised I guess and resent out.

Margie Milam: Okay. I will make sure Glen does that.

Jon Nevett: Okay. Thank you. Okay. Thank you. All right. So unless there is any other housekeeping matters, we will launch right in to the Clearinghouse issues. We will just go through the document that Margie circulated yesterday.

The first one is the name that had consensus, a function of clearinghouse, separate functions that seem to have consensus, a requirement that they use a regional validation service that consensus. One database for the (red shoe) to connect with had consensus. And one submission point had consensus. Relationship with ICANN had consensus.

Alan Greenberg: By the way...

Woman: Per...

Alan Greenberg: ...it is Alan. I had said I would send out what the principles are to this, but on rereading what Margie has, they are all stated pretty clearly so I didn't.

Jon Nevett: Great. Okay. So moving onto number four, marks eligible for inclusion. Nationally registered marks and no common law rights and no court validated marks seems to have consensus on nationally registered marks but no consensus on excluding common law rights. So is that a – was there a working group or some folks talking about that issue on the side. Alan?

Alan Greenberg: Two issues on that. First of all at one point we talked about what I think are (Benelux) trademarks although there was also a reference to European Union ones which are not validated. And the question is, are we including these or not because I know some words in other documents, and I think within the EDRP talk about validated trademarks. And we need to be specific if we are restricting some trademarks and not others.

I do not think we came to closure. I think someone went off to do some checking and we never got back to it. But I am just raising the issue again so we do not forget it.

Jon Nevett: Is someone – oh sorry – someone with their hand raised can answer that question?

Mike Rodenbaugh: Yes. I can I think.

Jon Nevett: Okay.

Mike Rodenbaugh: Mike Rodenbaugh. I think Alan you are talking about examination. Some trademark offices, national trademark offices do not...

Alan Greenberg: Yes. Yes. You are correct.

Mike Rodenbaugh: ...give a substantive examination of the applications. But I think hopefully we have come to a consensus that you cannot kind of pick and choose among different countries and decide that their regime is better than another regime. Pretty much have to accept any registrations of national effect at minimum.

As respect to common law marks, you know, I will just quickly make the point again. I think that it is much bigger benefit to the NCUC and everybody else if common law rights are included. I would say, you know, maybe they may not be mandatorily included, but at least have to be optionally allowed to be included by both the clearinghouse up front so trademark owners can put in their common law rights and then also by registries and registrars who want to acknowledge common law trademark rights.

Jon Nevett: Okay. I have got a queue going now. Alan were you done? I am sorry, I...

Alan Greenberg: No I wasn't done.

Jon Nevett: Okay. Could you...

Alan Greenberg: But Mike went into the other one. At-Large is somewhat divided. There are some people who live in common law areas that want them included. Other people, you know, are just as happy without.

I guess I would agree with what Michael – Mike just said that as a minimum we are talking about nationally registered marks. I think the Clearinghouse needs to have the ability to register other types of marks with the assumption that the fees are set accordingly and they have nation – that have geographic bounds to them. And then registries can decide to use them or not at the registries, you know, decision.

And I think that that makes more sense. It also may make a more viable business model for the Clearinghouse so it does not go out of business three months later. But I do not think that that part is not our direct problem.

Jon Nevett: Okay. Mike were you done?

Mike Rodenbaugh: Almost. Just one more very quick point is, you know, we could all – another option we could choose is to say that registries and registrars should acknowledge common law rights just as much as registered rights of national effect as a best practice and recommend it that way.

Jon Nevett: Okay. And I assume Jeff will have a common on that but it looks like Mark is next.

Mark Partridge: I was just going to make the point that with respect to this. I guess it was what Mike already said. We should not be in the business of deciding which country's marks are second class citizens. So they should be marks of national effect. We do not want ICANN or registrars or registries making that judgment.

And we have factored into this a challenge procedure. So that write – that marks do not actually have the scope of rights. A claim could be challenged. Plus the notice that Cathy and Paul have put together I think really helps with the concerns that might flow from this. So it is – I support the position that Alan put forward and Mike put forward.

Jon Nevett: Okay Jeff

Jeff Neuman Yes. I was going to support what Mike had – everything that Mike said until that last statement. I do agree with the fact that if the clearing – the Clearinghouse should be able to take in these things. I do agree with the point that it should be a registry's choice as to whether to have them included in any kind of Sunrise or IP claims process.

And I also think that – I disagree with Mike obviously that it should be a best practice that registries honor those rights. I think to do so would give countries that have – that actually recognize common law rights, giving those businesses an advantage over every other place in the world. So I think that is wrong. I do not think that that should happen.

And to say something is a best practice if they register does not do it, you are basically saying that the registry is not in conformance of best practice and no one wants to do that.

So I think we give no value judgment on whether a registry should recognize those rights. You leave that up to the registry and you have all costs being paid by the common law trademark owner and none by the registry to have those in the Clearinghouse. And I think we have something that may be acceptable.

Jon Nevett: Okay. So your position is nationally registered marks regardless of geographic bounds would be in the Clearinghouse and common law rights and non-court – and court validated rights may be included in the Clearinghouse?

Jeff Neuman Well I think the Clearinghouse can take in whatever it wants and registries should have the right whether to use them in a Sunrise process or IP claims process or not.

Jon Nevett: Yes. Okay.

Jeff Neuman But I would not label anything best practice.

Jon Nevett: Okay. Any concerns with that? Mike?

Mike Rodenbaugh: Just to Paul. Would we...

Paul McGrady: Yes.

Mike Rodenbaugh: Would we...

Paul McGrady: Absolutely.

Mike Rodenbaugh: ...give out...

Mike Rodenbaugh: Just let me – let me just clarify Jeff. I did not say that I was in favor of naming it a best practice. I am actually in favor of it being mandatory that the Clearinghouse must accept common law rights and that registries must acknowledge them equally with registered rights.

But, assuming that we do not get consensus on that, I think the next best thing would be to name it a best practice.

Jon Nevett: Okay. Any other comments on that?

Cathy: Cathy.

Alan Greenberg: I have a question. It is Alan.

Cathy: Okay.

Alan Greenberg: I have a question for Mike. Does that mean you would essentially submit a minority opinion if we don't or are you just saying what you would like to see.

Mike Rodenbaugh: If we do not accept common law rights or make them mandatory, yes I expect that I will write a short statement on that...

Alan Greenberg: Okay.

Mike Rodenbaugh: ...because that would be foolish.

Jon Nevett: Okay. Paul.

Mike Rodenbaugh: And I just – what we are talking about on this is not – when we say that a registry can decide whether or not to consider which, you know, what rights, we are not backing off on the position that the registry has to include. It is mandatory that the national rights would be considered.

The option is whether or not the registry would include common law or other court mandated rights. Is that correct?

Man: I think that is what we said.

Man: Yes.

Jon Nevett: Okay. Jeff. I am sorry, Cathy and then Jeff.

Cathy Kleiman: Okay. I apologize. I have had to do this in street noise. I had to move away from the computer so I will just probably be verbally raising my hand for a while. Let me just run down the list.

In terms – because I feel like we are coming back to a discussion that we have had many times. And maybe Mike missed some of it but I thought we had done this at great length.

First in terms of jurisdiction, we had – I mean this is a verification process. And we had talked about using nationally registered marks from jurisdictions that go through the process of verifying. You know, 12 years ago we had to raise to Tunisia to get nationally registered marks that could be used to network solutions to trump, you know, domain name registrants.

Hereto this idea – and it came from the IRT report on what could be used in the URF. We are talk – we have been talking this whole time about nationally registered marks from jurisdictions that actually go out and look to see if they are really right.

That is what we are supposed to be incorporating into the Trademark Clearinghouse is someone who has done some work to look at the mark and see if it really is valid for these goods and services and if there really is anything else in the field or in the area. So I would like to go back to that because that was (inclusive) to me. And as I read through the charts, that was my understanding.

In terms of the Trademark Clearinghouse and what types of marks it incorporates into the Trademark Clearinghouse, the one run by ICANN and mandated by ICANN and mandated and used in the mandatory Sunrise and IP claims, again we had talked about only nationally registered marks.

We had gone through many discussions. And you have heard me – I will do it again if you want, the song and dance about not sending bottles and labels and, you know, home grown pieces of business cards and stationery to something run by ICANN.

We had offered as an alternative court verification of common law marks because we understand the laws, no one can actually say the extent and the validity of the common law mark until it goes to court and it is verified by a court.

So we will again submit nationally registered marks and from – and common law marks from courts. And I think it is much easier to read a court decision that claim – that validates and verifies a common law mark than to look at a label and try to decide that it has some global rights in the Trademark Clearinghouse. So let me put back in the court validated common law marks.

And then – and I think Paul got to this. And then the idea that the registries can do whatever they want when it comes to looking at common law marks or pizza shops or lefthanders or the names of artworks or the names of children that this is whatever the registry wants to reserve beyond the Trademark Clearinghouse is fine.

But, you know, because they are going to be in the position of wanting to open up the space and wanting to reserve it, but that it does not belong in the Trademark Clearinghouse, capital T, capital C. Thanks.

Jon Nevett: Mr. (Neumar).

Jeff Neuman: Is that what I put in there?

Jon Nevett: Yes.

Jeff Neuman: Oh. Oops. No. It is Neuman on my screen.

Jon Nevett: No. Mine says (Neumar).

Jeff Neuman: Oh. So let me agree with the first part of Cathy in a sense that the IRT recommended its jurisdictions that have substantive evaluation. I do not want to see Demand Media, no offense (Jeff Ex-house). I do not want Demand Media get blogged as a second level and every single TLD simply because they registered blog in the Benelux countries.

So, I strongly support what Cathy said initially. And I do not care if it raises trouble with the GAC or anybody else frankly. That is for other people to worry about. I do not think it is for this group to worry about.

So I think we should stick with the IRT recommendation of the substantive evalu – national – accepting all or have to accept all registrations nationally registered in countries that do a substantive evaluation.

And on the second point, I disagree with Cathy that I do not care that it has – common law rights have to be limited to court validated. I think it could be accepted as long as the registry can use it how it sees fit. So that is my comment. Thanks.

Jon Nevett: Okay. Alan?

Alan Greenberg: On both of those issues, on the issue of substantive evaluation, that is countries that do a substantive evaluation, I do not think we want to be in the business of deciding is it substantive enough. But the binary decision of they do none versus they do some I think is something that we could do should the group decide.

So again, we are not – we do not want to decide how well or how good a job they do. But if they clearly and openly say we do not do any, then I think that is a binary decision we could make.

In the case of common law marks, I do not really care if the Clearinghouse wants to evaluate bottles and business cards. The fee you are going to have to set is going to be outrageously high. I do not think many people will use it.

I think that is true for court validated judgments as well. You cannot just read the one judgment. You got to make sure it was not appealed, it was not reversed. It is a complex expensive process.

And the issue of how do you prove that you really have used names, if we go back to one of the things that I think Mike mentioned on a previous meeting of celebrities and to use the example that we started the meeting with, if O.J. Simpson is going to be registered, it is something that, you know, one does not have to validate does he exist and has he used the name for a long time. These are easy things to evaluate.

As Olivier said in the conversation previous to this, if the person who is registering is Michael Smith, well it turns out there is a lot of famous Michael Smiths and we may have a problem.

Cathy Kleiman: Except that the first one is going to block all the rest of them.

Man: Well.

Alan Greenberg: Perhaps. Well no it is not a block. It only gives notice.

Man: Yes.

Cathy Kleiman: Sunrise – this is going to be used for Sunrise too guys.

Alan Greenberg: All I am saying is we are stuck with a lot of words that mean a lot of things and a lot of overlapping trademarks in the world. We do not have a neat world. And if the Clearinghouse wants to do this and thinks it can do it reasonably and there will be a customer base to want to use it, I do not see a reason to block it.

Jon Nevett: Okay. Mike.

Mike Rodenbaugh: Sorry. My hand is not...

Jon Nevett: Okay. Cathy?

Cathy Kleiman: I did not put my hand down either.

Jon Nevett: Okay. Jeff.

Jeff Neuman: Hold on one second. I have a kid on my lap here. The only point I was going to make with Sunrise to make it clear that not all marks have to be accepted by the registry. In other words, if a registry wants to limit the registry to shoes during a Sunrise period, it does not have to accept, you know, Microsoft for software, so somehow where we come out with wording that does not preclude a registry from limiting it to a certain class of goods and services. That was the only other comment.

Jon Nevett: Okay. Konstantinos.

Konstantinos Komaitis: Yes. I would like to – I have heard that we have been talking about second class citizens if we do not accept common law marks. But I think that if we accept common law marks we give an unfair advantage to the jurisdictions that actually understand common law marks.

I (can even give you K) which understands it, but I am part of the European Union which does not really understand common law marks. And most of the jurisdictions around the world do not really see what common marks are or how they are validated and go back to the traditional registered, national registered trademarks.

What do – I think that it is very important that we do not allow common law marks to (enterate) first of all because I do not see how the Clearinghouse is going to cope with so many identical common law marks that are going to – well that would seek entry into the Clearinghouse.

And to these effect, and because there are some common law marks out there that have been challenged and we need to protect them, but we need to protect them because they have already been challenged (quid quo pro).

And it is not a long process to read a court decision. Court decisions of that sort do not even normally go to appeal. It is either you have a common law mark or you do not have a common law mark. And then basically infringement is justified.

So, I would understand incorporating court validated common law marks. But opening the Clearinghouse to all common law marks is like opening Pandora's Box. And I really not see how the Clearinghouse is going to cope with so many common law marks entering that are identical and confusingly similar and all the rest.

Jon Nevett: Okay. Wendy.

Wendy Seltzer: Two quick points – but I understand that the Clearinghouse is supposed to be used in sort of a notice function. That is what registration serves in many instances where common law does not. So registration – limiting to registered marks fits with the assumption of trademark law that are – and ultimately we need a bright line.

We need a place where we can simply draw the line and say if you have met these criteria, you have the opportunity to register here. And possession of a registration serves that whereas if we accept common law marks we get into the (mercury) definition of once again trying to survey all sorts of legal systems to figure out what they might recognize, whereas the singular hurdle of do you have a registration or not even though the criteria may differ in different jurisdictions is at least easier to verify.

Jon Nevett: Cathy?

Cathy Kleiman: Another criteria, and I did not raise it initially, but as I was thinking it over, we have a mandate not to expand trademark rights. And I believe that is one of the questions the Board asked us about. And here, if the Trademark

Clearinghouse is accepting bottles and labels and business cards, then how do you tell it that it cannot accept those from jurisdictions that do not have common law rights. So are you going to tell them they can only accept it from the U.K. and the U.S. but not from France because the French guy gets to send his bottle over too, in which case you have given him a common law right that did not exist. There is an overexpansion issue.

The other thing I wanted to note is as an attorney who counseled many, many small businesses particularly in the Internet service provider area for many years, in the U.S. I told them never to rely on their common law rights. We went ahead and got Federal registration.

And once you are on the Internet, in the U.S. you have that right. You are engaged in interstate commerce. You qualify. You meet the criteria for applying for a Federal mark. And almost everyone I know does now.

So it is not an either or (ENOC). It cannot be common law rights, but you have the Federal registration as well. So I am very concerned about the overexpansion that is outside our mandate and our scope.

So back to nationally registered marks, and again court validated common law marks, it is clear, it is distinguishable and it is within the scope of the existing law and easy verification.

Jon Nevett: Okay. So as we just heard from three (NCSG) folks, just trying to understand, you know, your coordinated position that you want the Clearinghouse to include nationally registered marks of – regardless of jurisdiction. You want court validated marks but you do not want common law marks. Is that it?

Cathy Kleiman: We thought this was a done deal.

((Crosstalk))

Cathy Kleiman: We thought that this had already been set a long time ago.

Jon Nevett: Okay but is that it? Is that – am I correct in...?

Cathy Kleiman: Okay. So and when you do not want common law rights, does that mean you want a specific prohibition against common law rights in the Clearinghouse or you are okay with them being in there but just that there are not mandatory or anything – any kind of use?

Cathy Kleiman: They do not belong in the ICANN Trademark Clearinghouse. If a registry wants to use them separately, just as they want to use anything whether it is a common law right or not, but this idea of verified data central database, and again this – we opened with this a long time ago and I thought we had consensus on this – that this is a database that is going forward and will have – and will be used. We are mandating it so that we have – we are mandating it for use in Sunrise and IP claims and all new GTLDs in some way, shape or form so that whatever is in it has to be definable, verifiable and within the scope of Trademark law.

((Crosstalk))

Jon Nevett: So you are okay with saying...

Cathy Kleiman: This is a Trademark Clearinghouse.

Jon Nevett: Let me just understand. You are okay with saying provider having a separate thing, you know, a wall between the two. But correcting that information in a registry could choose to use it on, you know, whatever commercial terms that the registry and this provider works out, right?

Cathy Kleiman: Whatever is being used for the 500 new GTLDs, right, should be – is what we are creating here. Right, exactly, registries can do further things of course.

Jon Nevett: Okay.

Cathy Kleiman: I am agreeing with you.

Jon Nevett: Mike?

Mike Rodenbaugh: Okay. I mean I just want to make sure that companies, famous brands like eBay, Yahoo! whatever that have lots of common law trademark rights get some protection out of this scheme. And I do not think it is at all an expansion of trademark law anywhere in the world to acknowledge that while eBay may be registered in 300 countries, they probably haven't registered eBay Motors or eBay Auctions or eBay France or, you know, any number of the hundreds of different eBay/descriptive/country name properties that they own which are in fact each a common law trademark right.

So this situation was addressed in the EU launch in a very difficult way. Basically required Yahoo! at the time where I was working, we had to get an affidavit of a local common law lawyer in England to swear that we had common law rights under English law. And therefore we were able to register a bunch of those names in the Sunrise.

I think a similar situation could work for the Clearinghouse, although I certainly do not want to require that there be a legal opinion for each one. But something like that ought to work – perhaps a sworn statement of in-house counsel even would work that, you know, they do have common law trademark protection in these terms because they have used it in this way for this many years, etcetera, etcetera.

Again, I do not think that that is an expansion of an existing trademark law in any (unintelligible).

Jon Nevett: Okay. Cathy?

Cathy Kleiman: It sounds like Mike has just proposed something which is useful. I would really like to understand it better. But provided it is not something going into this Trademark Clearinghouse as a Federally registered mark, and it is not, I see your concerns Mike and maybe the registries can respond how it would be possible to use some expansion of the Trademark Clearinghouse for these very, very well known brands.

Jon Nevett: Okay.

Jeff Neuman: Sorry. What do I have to explain? Sorry. I have a 2-1/2 year old on my lap here.

Cathy Kleiman: Well we want to talk to the 2-1/2 year old.

Jeff Neuman: All right. (Rachel). Well she is probably a lot more reasonable. (Rachel) do you have anything to say to everybody? Is this being recorded? Is that it? Nope. All right. What is the question?

Cathy Kleiman: What you thought of what Mike said...

Jeff Neuman: God I do not...

((Crosstalk))

Cathy Kleiman: ...of registries working directly with the trademark owners of very, very well known brands who have an extension. Mike you should probably rephrase it rather than me.

Mike Rodenbaugh: Well yes. But I think it dovetails back with, you know, what exact match – what exact strains would trigger a match in the Clearinghouse also. Right? It is that issue again. So Jeff it is basically to make sure that there is a notice triggered and there is an opportunity for eBay for example to register in the Sunrise names like eBay Motors, eBay Auction, eBay France, etcetera,

etcetera, which they do not have registered rights in but are clearly common law trademarks.

Jeff Neuman: Yes. I mean some of the registries may choose to do that. They will have to work directly with the Clearinghouse house to do that. And I am sure that, you know, the Clearinghouse could have a function where it accepts key words. I mean that is something it could do.

I mean I know of a couple registries that talked about doing things like that. So it is feasible but I would not make it mandatory.

Mike Rodenbaugh: Okay. I mean fair enough. (Eurig) did it for sure. I mean that is what I was discussing a few minutes ago, but.

Jeff Neuman: All right. And I am assuming the registry would have to bear some of the cost of that as well to, you know, could pass it on to end users. But I am sure that they would do that. Some of that would.

Now the claim process is a little different because – well maybe not. I mean in the end it is the Clearinghouse that is doing the matching. Sorry. I am just trying to go through this in my head and see how this would be implemented.

Jon Nevett: Fair. And Alan?

Alan Greenberg: We seem to be coming closer together. But I want to try to get clarity on one thing. If we say that the registries should be able to do this on their own, whether it is, you know, our classic pizza restaurants or Yahoo! – X. Why would we want to preclude them contracting with the Clearinghouse to do that – this, and allow the Clearinghouse to be the database that is used for the process and not have to set up other one on one relationships.

It is not a requirement of ICANN but why would we preclude the Clearinghouse from being in that side business as it were.

Jeff Neuman: I do not think anyone says we should unless I am...

((Crosstalk))

Alan Greenberg: Well no I...

Cathy Kleiman: No. Huh-uh.

Alan Greenberg: ...I have heard words saying that the Clearinghouse must not, the registries cannot do it through some other mechanism. I am just suggesting – I am asking the question of why couldn't the Clearinghouse be doing this as a side business since they already have the infrastructure and the communications lines to do this?

Cathy Kleiman: I thought maybe...

((Crosstalk))

Alan Greenberg: It sounds like a viable win/win situation.

Jon Nevett: All right. Cathy do you want to address that?

Cathy Kleiman: Yes. Sorry for jumping the queue on this. Alan I think there is a difference between the Clearinghouse as the process, as the database and the Clearinghouse as a business. So if Pricewater has Coopers comes in on this, they are going to have many, many, many other businesses. One will be managing the Trademark Clearinghouse.

Let's call it the – the piece that I am talking about is the database that communicates with the registries. But if they want to manage other databases or have other businesses, of course they are going to have thousands and thousands of other businesses.

So I – we have talked about it many meetings. You know, let's put a stipulation in that the company that runs the Clearinghouse not be barred from providing other services because they would be a very logical place to do that, to provide other services to the registry. Does that answer the question AI?

Alan Greenberg: I am not 100% sure. I think you are saying...

Cathy Kleiman: The Clearinghouse is one of many businesses that this kind of international entity will be offering.

Alan Greenberg: Well yes. But let's assume it is not an international entity, it is someone who sets up a business to be the Clearinghouse. Is there any reason they couldn't as – and I will use my wording, as a side business also offer services to registrars – to registries saying that, you know, you – we also have this sub-database of common law marks you may choose to use or not?

Cathy Kleiman: One would expect they might.

Alan Greenberg: Okay.

Cathy Kleiman: But absolutely.

Alan Greenberg: Okay.

((Crosstalk))

Jon Nevett: So there would be no objection to that it sounds like.

Mike Rodenbaugh: This is no bar to the Clearinghouse provider providing simple (unintelligible) or trademark holders related to common law rights it sounds like.

Alan Greenberg: Just like they presumably could do post launch stuff if everyone agrees...

Mike Rodenbaugh: Sure.

Alan Greenberg: ...that it is a good thing.

Mike Rodenbaugh: Right.

Alan Greenberg: Okay.

Jon Nevett: Okay? Any –I still have a lot of hands up. Mark?

Mark Partridge: I do have a – I would hope that it would be acceptable around the table on that idea that there be a single place to do that. That is that if more than one registry decides that a certain kind of information is useful to it, that we do not have to have multiple different places for recording that information.

To be more specific let's say there are new registries that limit their applicants to members of the Professional Golf Association. That it be recorded once and that a new registry could use the same database and the people would not have to re-file.

Alan Greenberg: If the Clearinghouse are good business people, they will offer such a service if there is...

((Crosstalk))

Mark Partridge: Yes. I – like I say, I am hoping that that is a concept that is agreeable around the table, that we would not have to reinvent it each time.

Mike Rodenbaugh: I mean there would be a mark – there is a marketplace solution for that and...

Mark Partridge: Yes.

Mike Rodenbaugh: ...in that, you know, why would the registry want to pay someone else to do it and recreate it.

Mark Partridge: Yes.

Mike Rodenbaugh: And why wouldn't this provider want to provide that kind of service, so.

Mark Partridge: So that sounds like that we have agreement on that I guess.

Jon Nevett: Okay. So it sounds like we are pretty close on that one. Next issue is identical match.

Cathy Kleiman: Hey Jon let me – can I ask for clarity? I do not understand what the consensus is. Is the consensus that regis – mark from countries that have substantive examination are in the database and that is it or I mean I am just – I do not really have a good idea so what you think the consensus is.

Jon Nevett: No. I guess my understanding was nationally registered marks regardless of jurisdiction are in the database. And then there is – I did not hear any objection to court validated marks. We did not really dive into that too deeply.

Man: Assuming they come along with geographic limitations and appropriate fees.

Jon Nevett: Right.

Cathy Kleiman: Could validated common law marks?

Jon Nevett: Right.

Cathy Kleiman: Okay.

Man: You have been arguing in favor of court validated marks right?

Cathy Kleiman: Right. Exactly. I just wanted to – the common law – right.

Jon Nevett: So would you lump them from an NCSG perspective – lump them in with the nationally registered marks or lump them in with the other common law rights – common law marks?

Cathy Kleiman: NCSG had proposed that court validated common law marks be included in the main Trademark Clearinghouse database. There had been objection to that. But it came from others. So I will go back to that original proposal – the trademark...

((Crosstalk))

Jon Nevett: Okay. So based on what we have in the document – I will get to you in a sec Jeff. What we have in the document sounds like nationally registered marks would be included. Common law rights whether they are court validated or not would not be included in – necessarily included in the ICANN Clearinghouse but there will no bar to provide youth services for the same provider to provide these services for common law rights and court validated common law rights to registries and registrars and trademark holders.

Cathy Kleiman: Through a different database.

Jeff Neuman: Jon I thought...

((Crosstalk))

Jeff Neuman: ...it was that it would be court validated common law rights.

Jon Nevett: Would be what you thought...

Jeff Neuman: ...would be included in the main database along with rights – marks of...

((Crosstalk))

Jon Nevett: Is there any objection to having short validated common law rights in the main database?

Jeff Neuman: Yes. I think that is where I raised my hand. I only object because I have never seen a court validate a common law right except in a specific case or controversy in which it comes up. And courts do not generally grant trademark rights. Courts look at a specific contact and a case before. Courts do not do overwhelming overarching issues.

Man: Well they have...

Jeff Neuman: Now I do not know what that looks like. If someone could please send me around something that we could see what a court validated trademark right looks like but...

Man: It would be a decision where a common law right is asserted and then first the court has to say yes there is a common law right.

Jeff Neuman: But it still comes up with it in a particular case or...

((Crosstalk))

Man: Yes. But first they have to establish that there is a right. And then the second issue is that there is an infringement. So the court validation would first of all be a decision that says there is a right.

Jeff Neuman: But does that mean that another court has to abide by that decision? No. I mean another court could actually view that (dinovo) in a different case or controversy...

Wendy Seltzer: But I not sure that...

Jeff Neuman: ...in theory.

Jon Nevett: Wendy.

Wendy Seltzer: Sure. But this is a significantly different problem from the rest of trademark law where registered marks are only preclusive in a particular class of goods and services in a particular geography.

So the registration does not mean unbounded rights. A court judgment does not mean unbounded rights. It is just a piece of paper from an authority that gives a little bit more than your say so that you have a claim to something around a particular mark. I think that is probably the best we can do.

Jeff Neuman: Right. So instead of a trademark holder giving a piece of paper that says here is my registration with the national trademark office, they are giving the court case. So.

Wendy Seltzer: Yes. Well then that is the (gumption).

Jon Nevett: Okay. Okay. So it sounds like – other than Jeff's question, there isn't really objection to adding court validated common law rights into the Clearinghouse. And then there will be no bar for the same Clearinghouse provider if it wishes to provide similar services to registries, registrars, and trademark holders on other common law rights or any other issues.

((Crosstalk))

Cathy Kleiman: We – perhaps we can say beyond trademark owners’ organizations, groups – sorry this is Cathy. Registries may want all sorts of data as they open...

Man: Sure.

Cathy Kleiman: ...a new TGLD.

Jeff Neuman: I mean geographic registries are the best examples. I mean they might want every kind of, you know, if I am running dot Paris I might want the every mark in France, I might want common law rights in France or in Paris, that kind of thing.

Cathy Kleiman: Wait. Wait. Common law rights in Paris?

Jeff Neuman: In names related to that city.

Cathy Kleiman: Hmm.

Jon Nevett: Okay. Identical match. I am sorry, Alan...

((Crosstalk))

Alan Greenberg: Yes. Okay. At the very end, Cathy when we were talking about common law mark and other things, Cathy added the words in a separate database and I would see no reason to control how the Clearinghouse provider organizes its computer systems.

Jon Nevett: Yes. I would agree with it.

Cathy Kleiman: Can I respond?

Jon Nevett: Sure.

Cathy Kleiman: This is a – it has to be a separate database. This is a Trademark Clearinghouse. We are setting up a database pursuant to ICANN rules. This is an ICANN process. The rules of how this will be managed are going – when they change will be subject to comment in an open procedure in a GNSO procedure.

So I think it has to be – as an old large scaled database programmer, it is not a big deal. I think it has to be a separate database because we are creating the rules for one database and this is going to be a set of rules that are created for other databases.

Jeff Neuman: Database technology evolves over the years whether it is one database with a flag to subset it into two things or in fact is two databases, you know.

Cathy Kleiman: Sorry guys. I am going to say one data – banks have different databases. This is – we do not want flags. It is a different database.

Jeff Neuman: But how about separate databases, one portal?

Man: A separate logical database I can accept. I cannot accept that we are specifying technology. The technology has changed far too much in the last five years alone in how databases are – or physically organized and constructed...

((Crosstalk))

Cathy Kleiman: But then you are creating a monopoly – a monopoly provider.

Man: ...cloud computing and things like that change the whole thing.

Cathy Kleiman: They may be competitors. There may be other, you know, Pricewaterhouse and (Harper) Anderson they want.

((Crosstalk))

Man: And let – and let them – and let them complete. Let them compete.

Cathy Kleiman: It is a separate database. It may be in the same cloud. It is a separate database. And you want it to be a – you – the interface may become – you can make it freeware, you can make it Open Source software but other companies are going to want to be competing to provide information as well. So they should have access to the same interface.

But this is the Trademark Clearinghouse, capital T capital C that ICANN is stipulating. And that is different. That is different than anything else that this company or other companies may create.

Jon Nevett: Margie has in a separate database. I – we heard some statements made. I am not sure we had closure and consensus on that. Is anyone still here?

Woman: Nope.

Woman: I am here.

Woman: Sounds a lot...

((Crosstalk))

Jon Nevett: Yes. I – hello? (Unintelligible). I think that is a level of detail that we discussed we shouldn't put in here. So, to the extent that it says that in the notes, we – I think the consensus if anything was the opposite. Okay. So...

Jeff Neuman: Cathy does raise an issue of we cannot do something which is going to be anti-competitive. And this may be an implementation with (Laura's) help get involved in, not trademark lawyers.

Man: Absolutely. It is not an inclusive – it is doing nothing exclusive product for this service provider...

Jeff Neuman: Okay. I...

Man: ...and anyone who provide the...

Jeff Neuman: But I do not think we should be specifying into that level of detail and there are business issues and legal issues which ICANN will have to think about.

Jon Nevett: Great. Okay. So the next topic is – we talked about identical matches right? Plurals and Mark's – and then we are on this long one for number five unless there are comments on the rest of number four.

Man: Yes. I – the stuff in red which says database of – to be structured to allow registry expanded to include marks contained. I think that is what we have been discussing, but I believe we are not limiting to marks contained anymore. So I think the red at the end of four no longer applies but is replaced what we have been discussing for the last half hour.

Jon Nevett: Okay. Okay number five.

Cathy Kleiman: So lately we clarified that. So we are saying there is consensus on including marks contained or excluding marks contained.

Man: I think what we have just been discussing is no limited to marks contained. I think – I assume marks contain means yes, who is sports.

Cathy Kleiman: Right.

Woman: No.

Cathy Kleiman: That is what I meant by that word.

Man: Okay. And I – we are saying that there may be a non-Clearinghouse database function which will include those class of marks which are not explicitly registered in total and are not common law marks. That is not our business. We are not precluding the vendor from doing that or someone else...

Cathy Kleiman: Right.

Man: ...from doing that.

Cathy Kleiman: Right. But are we requiring the section for marks contained. I think that is what that meant. So we are not precluding it as a voluntary thing, but are we, you know, requiring it to happen.

((Crosstalk))

Man: I do not think – I do not think we have ever in this discussion included marks contained as something which is mandatory. The IRT didn't and I do not think we ever did. I don't think.

Jon Nevett: Okay. I have got marks and Cathy.

Man: Well I do not know where we would – where this might lead, but I think it is worth considering marks contained because we do find that many of the problems involve something like a registered mark such as Yahoo! where people just add additional terms to it and then use it for paper click or (fishing side) now.

Man: But isn't that one of the optional services that we have already decided someone could offer?

Man: Well I think the optional service was that Yahoo! might try to think of all the different permutations and then claim a common law right in that as a separate service. But if the database technology is capable of giving somebody a notice, for example Yahoo! is in the database and somebody tries to register Yahoo! Sports, they simply get a notice saying Yahoo! is in the database. It is registered for this. Are you sure that you have a good faith basis for using this. And they say yes and proceed.

I think that is a valuable service all around the table to reduce disputes and reduce problems down the road and costs to all parties.

Jon Nevett: Okay. Who's next? I just lost the Adobe for a minute.

((Crosstalk))

Man: Mr. (Jimmy Pot).

Woman: Oh...

Man: No he...

Woman: But he...

Man: Right. I am trying to hard fact to a discussion we had with the (GPMO) group who worked on this stuff. And I remember the discussion where it consists of meant that if the trademark was inside a name which was even broader but the name was identically there, then it would be covered. So Yahoo! Sports or Yahoo! with words on the left or words on the right would go in and that was the understanding I had when we were in the IRT.

So – and I see the same language used in the fact report. So – and I am confused by this discussion of whether Yahoo! Sports is an identical match or not.

Jon Nevett: Jeff do you want to respond to that?

Jeff Neuman: Yes. That is precisely not what the IRT came out with in the final report. In fact in the draft report, it was debated as to what that was accidentally – some language was used. In the final report we clarified that contains is not something we wanted mandatory because remember, can you think of all the marks that contain the word sun or is the word apple.

You know, these are – or windows – I mean forget it. The contains we – the IRT and all the IP attorneys on the IRT came to a consensus that that was not something that should be mandatory because it was just too difficult and there were too many errors that would come out.

And the chilling effect, even in the claims process – I mean the Sunrise process would obviously be a mistake. But even in the claims process the chilling effect would be too great and would be more than the benefit.

Jon Nevett: Okay Wendy?

Wendy Seltzer: Yes. The – it has been said I think.

Jon Nevett: Okay. Cathy?

Cathy Kleiman: Yes. Of course agreeing with Jeff because I feel like we are kind of circling back to the same discussions, but eNOM and Venom, it works the – what Mark is saying works well for a quaint and fanciful mark that doesn't work. I had the same examples written down that Jeff used for Apple, you know, if you have Apple Sports why should you get an IP notice from Apple computer. If you have Time for a watch, why should you get a notice from Time Warner, Panther for clothing.

Once it goes into dictionary words the marks contained does not work. And I know we worked long and hard in trying to draft what you see here. And it is far beyond, I mean what you see here in the material that is posted and it is far beyond what NCSG initially wanted. But it seemed to be kind of a fair compromise.

Jon Nevett: Okay. Mike and then Jeff I guess.

Mike Rodenbaugh: Sure. I think that, you know, the eNOM and Venom situation can be easily dealt with by allowing the functionality to exclude certain phrases, and perhaps even put an obligation on the trademark owners to exclude known marks that they are aware of that are fair uses.

So for example in the Yahoo! case there might be a Yahoo! (slipper) so that we knew about before Yahoo! ever existed. And we would simply be obligated to exclude that from the list when we input Yahoo! into the Clearinghouse.

It seems to me that is a very simple technical fix to this problem. It still does not (evisurate) the remedy not only for famous brand owners but for the entire universe of registrants who will be benefited by getting this sort of notice.

Jon Nevett: Jeff I guess and then Alan.

Jeff Neuman: Yes. So I just wanted to comment about the part about I think it was Mark that had stated that if it is, you know, if something comes up like a Yahoo! or something that the person would get the letter saying it may infringe, I think that – I do not think it is an issue that most of the registrants that are doing this are saying oh gee I have never heard of Yahoo! before or Microsoft when I am doing this. Thank God I got this note.

I think people are aware of that in advance and I am not sure – do you really – I do not know if it will make – have a huge effect by having that notification.

I think it will have, I hate to use that – the term, the chilling effect on people who are saying, you know, if they want to do like apple picking and they get a notice that say it may infringe on Apple and they are like oh man, I, you know, they do not know about this.

But I have a feeling that people that do, you know, something Microsoft or something Yahoo! I think they are aware of what is going on. And they are bad actors and I do not think this note is going to make much of a difference for them.

Jon Nevett: Okay. Alan?

Alan Greenberg: Yes two things. First of all I will remind people we are talking about only pre-launch at this point so it is not the regular random registrant who is coming into register something.

And second of all we spent a half an hour deciding that a Clearinghouse whether it is the Clearinghouse or not could offer such a service and if the registry chooses to opt in and accept whatever chilling effect goes along with it, they can.

This is beyond what the IRT recommended. It is beyond the staff proposal. I understand why some people would like to see it, but it is just going too far and I think it is getting us into a quagmire we are not going to get out of.

Jon Nevett: I sort of agree with that. Mark?

Mark Partridge: I guess I am going back to the IRT report as a way to balance this issue. The IRT report acknowledged this concern and in the end said that a narrower interpretation of match could be workable in conjunction with an effective URF. And perhaps that is there approach for us to continue to take here.

Man: I support that.

Jon Nevett: Too. Thanks Mark. Okay. Anything else on this one?

Cathy Kleiman: Jon so do I have it correct that marks contained is excluded as a mandatory requirement that can be a voluntary decision as optional service. Is that right?

Jon Nevett: Any concerns with...

Mike Rodenbaugh: I do not think this consensus of (unintelligible) maybe as close as we are going to get.

Jon Nevett: Yes. I think that is probably right Mike. Okay.

Cathy Kleiman: I guess – I guess this is Cathy. If we could write down marks contained is still – I think we agree with what goes into the Trademark Clearinghouse.

Jeff Neuman: Well do we? I mean so people can put in marks contained string into the Clearinghouse and it is up to the registry whether it to acknowledge them or not?

Cathy Kleiman: No. No. That is not going to work.

Man: This is not an ICANN mandated service that the Clearinghouse is providing. A Clearinghouse may provide such a service.

Jeff Neuman: There is – that is just ridiculous to assume that there is going to be multiple Clearinghouses. I thought we had to make – we were making this Clearinghouse mandatory for all registries. Correct?

Man: I think that is the number five. That is the topic, right?

Jon Nevett: Any comments on number five now?

Man: Are we precluding the Clearinghouse from offering the post launch IP claim service or are we saying it is not part of this mandate?

Man: It is not part of this mandate.

Man: Certainly not precluding people from doing it.

Man: No I mean people do it now.

Man: This is something that I – that the BC, you know, is still pushing on that this should be mandatory. But, you know, at minimum we ought to be recommending it as a best practice.

Man: I think it is an excellent topic for a PEP. It is not what we have asked to discuss.

Jon Nevett: Hey Paul (see)?

Paul McGrady: Yes. This is Paul. I wanted – I guess I wanted to deal with both things. I think the writing in red and the writing what Mike has brought up. First of all I just want to make sure that we all are same thing that is mandatory for registrars and registries that it would be for both IP claims and Sunrise that the – they would all have to provide the mechanism for the nationally registered rights that we talked about previously. That the only exception would be for highly restricted registries, you know, for example the dot shoe that would only perhaps allow Sunrises in class 25 that would come from that same data set.

And that we are not talking about, you know, registries and registrars being able to jet us in the, you know, in the process entirely. That is sort of clarification number one because if not then the whole thing, you know, all of this has been a non-starter.

And then number two, I agree with Mike that in terms of a post launch claims service, some registries would like, I am sure, to have that in place. So it will be a Clearinghouse that they could contract with to be able to (unintelligible) that.

And, you know, I do think that since the technology is available and could be contracted for, then it (unintelligible) to say since it is a best practice because it is better to do this, it is better to provide notice than not to provide notice if that is possible within your business model.

And so I do not see any harm as, you know, in essence a, you know, a note to the Board saying, you know, we did not reach consensus that a post launch IP claim service is mandatory, however we do believe that this would be a good best practice and so it provides great notice to potential registrants so they could avoid trouble.

And we thought by noting that we think it would be a best practice, we are in essence encouraging people to give it some real thought about whether or not they want to implement it.

Jon Nevett: And, all right. Jeff Neuman.

Jeff Neuman: Yes. On that, you cannot call something a best practice that has never been done before. Right? For all know we know, it could be actually a worse practice. It could be something that is awful.

You could say the trademark owners would like it. I have nothing wrong with saying that in the report. We cannot really call something a best practice if it has never been done before. And I am not even sure it is a best practice.

Remember, when you use the term best practice, that implies that any registry that does anything different is not engaging in best practice. And I am not sure any registries would enjoy that term to be applied. And again, you

want to say trademark owners and businesses have asked for this that is great. You can put that on the report but not a best practice.

Jon Nevett: Okay. Zahid.

Zahid Jamil: I think we are developing things as we go along here. And if something is considered by I will say consensus to be a practice that we would like to see there and a better practice and if registrars compared to some registrars or registries is compared to some of the registry, we can say that.

So even though something does not exist, to say the – well then you just cannot call it a best practice, seems to be to be a bit of a difficult suggestion.

As far as post launch is concerned, at the very least there should be – they should be allowed to register who want to do this to be able to do so. And if various people on this call who represent various constituencies and stakeholder groups feel that this would be a best practice, I think we should at least put that in there. If it is not mandatory, at least – at the very least it should be a best practice.

Jon Nevett: Yes. I do not think you are going to get consensus of this group that a post launch IP claims process with the chilling effect that would come with it would be a best practice. So I mean we could talk about it more. We could put it in there as something that, you know, trademark holders might want as something that a provider could provide, but we are not going to get consensus of this group that it be mandatory or that it be a best practice.

Jeff Neuman: Well that is fine Jon. We may not get consensus on a lot of things. It doesn't mean, you know, that we should stop talking about them. And we – the fact we do not get consensus, what does that mean? So we need to break into groups and create two different opinions and then decide how many people share each opinion or what?

I mean, not saying there – saying there is not consensus is not the final answer, right? So what is the next step?

Jon Nevett: Well I heard a proposal that the – this report included a consensus position that such a post IP claims would be a best practice. And what I am saying is that I do not think we will have consensus on that kind of language. You know, it doesn't mean you cannot have a (Menardi) report. It doesn't mean you cannot have a report that says there is a sig, you know, a portion of the group would like this on.

That is fine. I am just saying – just responding to the idea that someone suggested that we put in as a consensus position of this group that we have a post launch IP claims as a best practice.

Man: How about a recommended practice?

Jeff Neuman: No. As a recommended mandatory practice? No. If, I mean there are providers that provide it today. And no one is seeking to preclude them from providing this service but it should not be an ICANN mandated practice.

Jon Nevett: I am sorry. There are still two people on the queue. Wendy and then Alan.

Wendy Seltzer: So on the nature of mandatory, I am willing to agree that it can be mandatory for applicable registries to use some pre-clearing process, either an IP claims or Sunrise that implements this database. I never thought it was mandatory that they implement both which is what I thought I heard Paul say.

Man: That certainly was not in the IRT report, not that I saw.

Jon Nevett: Alan?

Paul McGrady: Yes. We are not...

Jon Nevett: Go ahead.

Paul McGrady: This is Paul. We are not suggesting that it is mandatory that they implement both, just that they implement one or the other and that the – that this database is used and that national – nationally recognized rights are part of that process.

Jon Nevett: Okay. Alan?

Alan Greenberg: Yes. I think that was just a summary of what we have said before. I do not think there was ever any intent to do both.

With regard to post launch IP claims, I think the most we can say is we do not want to say anything which precludes the Clearinghouse from offering such a service, and it may not be the only one offering such a service.

And we may want words in the final documents saying that, you know, in the (dag) for instance saying that registries should consider whether this is appropriate for them. It is going to be attractive to trademark holders. It is going to have potentially a very large chilling effect.

You know, as a regular registrant, I am not going to register someone – something if someone says you may get sued by a huge corporation on it. So there are chilling effects. The registries need to consider it and it is a business decision they have to make.

I think that is about as much as we can put into this. I personally would love to see it if it was done in a good way, but I do not think we are in a position to mandate it and it is way out of our scope.

Jon Nevett: Okay. All right. Any more comments? Margie, you have what you need?

Margie Milam: Yes. I do not know if I should add Alan's last comment about making a notation in the report about considering that. Is that of some consensus?

Jon Nevett: Jeff do you have a view?

Jeff Eckhouse: Which Jeff?

Jon Nevett: Either.

Jeff Neuman: I am still trying – this is Jeff Neuman. I am not sure what we...

Man: When you draft it up, this – if you don't mind, you know, it said registries should consider whether it wants to use the Clearinghouse or some – or the Clearinghouse provider to provide a post launch cleaning service.

Jeff Neuman: Registries should – well I think may consider.

Man: May consider, yes. Sure.

Margie Milam: Okay.

Man: Well I think they should all consider it. They should reject it or accept it based on their needs.

Jon Nevett: Okay. Well.

Margie Milam: Okay thanks.

Jon Nevett: All right. Six – we got the notice. We will all look at it and if you guys agree on it, I suspect that most of us would but why don't we take that to the list. And then...

Man: I haven't looked at that yet but I am presuming there is some language in it talking about language.

Cathy Kleiman: Yes.

Man: Okay. Thank you.

Jon Nevett: Okay. Paul. Nope. Paul's gone. Any other comments on that – on number six? All right number seven, there is consensus on that. Okay? All right. So we have 17 minutes left and Margie wanted to go through the list of questions. Zahid, sorry.

Zahid Jamil: Yes. I think Mike and me have been sort of discussing this sort of offline. And the fact that the identical match is so limited that it only covers the trademark, it doesn't cover anything else which means the trademark holder is going to have to pay to be in the IP Clearinghouse and then pay a watch notice separately for anything which is Yahoo! plus anything else makes it very difficult for us to go back to our constituency and say well this Clearinghouse is useful to trademark holders. It becomes – just wanted to make that point.

Jon Nevett: But this is no – what is the difference between this and the IRT proposal? (Unintelligible) the trademark community got together and said this is what we want.

Cathy Kleiman: That is just...

((Crosstalk))

Man: I am not...

Cathy Kleiman: That is just – it is characterization of the IRT proposal Jon as you know.

Jon Nevett: Well I am saying – I am just asking is there a difference between what you just articulated and what is in the IRT proposal. Let's start with that.

Cathy Kleiman: Yes. There is a big...

Zahid Jamil: My understanding was different Jon. Maybe I am wrong. I think maybe I misread the footnote that was there. That may be my personal feedback on that. But irrespective, I know that my member is going back to them and saying to them well you have got to pay to be in the IP Clearinghouse. What you get basically is exactly your trademark. That is it, nothing more. They are just going to say what is the point?

Jon Nevett: Okay. Can someone else answer that who is on the IRT and on a subgroup, Jeff or I guess just Jeff.

Jeff Neuman: Yes. This is – I do not see this as being very different than what the IRT recommended, just refined a little bit. But, you know, I cannot speak obviously for the business constituency, but I thought there was consensus on the IRT report.

So what the business constituency is asking for now or has asked for during this call seems above and beyond what was in the IRT report which is fine. But the – a concept of a post launch IP claim concept of, extending the marks beyond just identical match, those were not recommended in the IRT report.

Jon Nevett: And Zahid?

Zahid Jamil: Yes. Well in the IRT report, there was also the whole concept of identical matches based on GPMO and at the second level the domain will be blocked. We are not having that. This is just a claim service. So you have to sort of see the other side of the coin which is that previously the purpose of identical match was to block because of the GPMO. We do not have the GPMO anymore. So it is very...

((Crosstalk))

Man: The GPMO was identical match too though. GPMO was just that.

Zahid Jamil: Yes it was.

Man: So.

Zahid Jamil: Yes it was. But at least people...

((Crosstalk))

Man: So Yahoo! Sports is going – let me – the Yahoo! Sports would not be protected under GPL. GPL is recommending...

Zahid Jamil: No it wouldn't. No it wouldn't. Absolutely right, it would not have been. But here is a different thing. Here we are just talking about our notice and that is all we are left with.

So to say well just focusing on the definition of identical match without seeing what the remedy is because the remedy has changed for us the situation has changed as well. Previously identical match meant that you got a block. Now it means oh you just get a notice.

And so if you are going to change that, then you got to be proportional on the other side. That is the way I feel.

Jon Nevett: Okay. All right. So Margie has loaded the questions. (Unintelligible). This is the (GNSO). The discussion should consider concerns of questions the Board raised regarding implementation aspects of a Clearinghouse database and its use to support an IP claim service or a Sunrise process.

So did we consider the concerns and questions the Board is putting forward. Let's say number one, impact of a Clearinghouse notice on a registrant. Is there a potential chilling effect on registrations of a trademark holder context and registrant before the registration is made? Yes. Alan?

Alan Greenberg: That question does not apply since nobody along the way has suggested that the trademark holder be notified before a registration is made.

Jon Nevett: Well it – this is all pre-launch right?

Alan Greenberg: But I – but none of the – an IP claim service goes out to the potential registrant saying you may be infringing. It does not get – send an alert to the trademark holder. That does not happen until a registration is actually made or accepted.

Jon Nevett: Alan is correct.

Alan Greenberg: Thank you.

Jon Nevett: The Board – I do not know what they were thinking when they drafted this question. So, they could have only been thinking of a post launch IP claims but that is not what the IRT has recommended.

Alan Greenberg: Right. But even then the staff report made it very clear – or the staff proposal that under no conditions – it explicitly said under no conditions should a trademark holder be alerted prior to a registration taking effect.

Jon Nevett: Correct.

Alan Greenberg: That you – they don't – you do not want to the trademark holder to be able to defensively register something before someone else gets it.

Jon Nevett: Sure. Cathy?

Cathy Kleiman: Reading the question broadly, I would say we consider this extensively. There are certain. And we appreciate it. (Unintelligible) appreciates it.

((Crosstalk))

Man: ...may not have addressed is five and six.

Jon Nevett: Okay. Let's go through two through four real quickly then. Yes. We talked about to the independence from ICANN. That would be a separate entity. Optional and mandatory we obviously discussed that. Applied to existing registries does not make sense. Five, liability.

Man: Okay.

Jon Nevett: During verification of trademarks, liability may arise through false positive and negative results. How should potential liability of parties be managed?

Man: Carefully.

Jeff Neuman: Well – so this is Jeff. The registries, and I just send around a link during this call to the registry statement on this. Obviously the registries feel like we should be indemnified by the Clearinghouse for all false positive and negative results.

The registries believe their Clearinghouse can manage its liability through its agreements with trademark owners that file with the Clearinghouse. And then we believe that all new registries will disclaim any liability for any such false positives and negative results in their registry registrar agreements and require that such (de-claimants) be passed through ultimately to resellers for – oh sorry ultimately through resellers if applicable and to registrants.

Man: Well, could you explain that last part starting with the (RRRA).

Jeff Neuman: Yes. So we are assuming that, you know, in the normal registry registrar agreement, when the registry implements a Sunrise, it will pass through normal disclaimer and indemnity language to the registrant that it can. But it obviously cannot do it to third parties that make claims.

Man: Right.

Jeff Neuman: So we are just saying through the normal channels, the registry will have a disclaimer – the registrar will have a disclaimer and probably require that that disclaimer be passed through ultimately to the registrant.

Man: Okay. Could you explain perhaps in the current process (unintelligible) when you said major dot a tell. I guess you probably have more insight if you are willing – how this liability issue has worked in the current round.

Jeff Neuman: Well – so I cannot – I can only speak to the third party that we have dealt with in Sunrises. But we have obviously as a registry have gotten indemnified or the – I should say the front end registry so for alliance for dot travel, tell nig for dot tell. They have, if they have gone to an independent provider, they have gotten the independent provider to indemnify them for false positives and false negatives.

I mean it is a normal contractual matter. It is (ST) providing the service screws up, there is usually an indemnity that covers it.

Jon Nevett: Okay. Any comments, thoughts? Anything from Amy or (Curt)? Would ICANN have a view on this?

Woman: I think (Curt) is still on. (Curt) are you still on? Amy?

Amy Stathos: Yes. Sorry, I was on mute. I was – I forgot I was on mute. Yes. I mean obviously I think we – there has got to be some indemnity from the

Clearinghouse in terms of for both ICANN and I think registries as well because if they are the ones who are going to be responsible for holding the data.

And then I guess it also depends on how we interact with the authenticators and the database managers. So I think that would be something we would have to work with the two providers on in terms of how they would accept liability.

Jeff Neuman: Yes. This is Jeff just to add to what Amy said. You know, you need to make it mandatory on the Clearinghouse. You could not have that as a matter of separate negotiations between the Clearinghouse and the registry because obviously if ICANN mandates one Clearinghouse, then – or at least one database, then obviously that database has all the bargaining power in a negotiation.

So that would, yes, it would have to be mandated on the Clearinghouse or on the database provider. And I think, you know, another possible way is mandating some sort of – or coming up with a dispute resolution process to handle false positives or false negatives or whatever it is in order to handle that.

By the way, it has not been an issue with any of the Sunrises that I am aware of that there have been false positives. If anyone is aware of any situations aside from, you know, where there has been validation. Obviously in info when there was no validation, there were lots of false and fraudulent claims.

But since the validation has been instituted in Sunrise processes, I am not aware of any fraudulent or false positives.

Jon Nevett: Okay. So if ICANN is awarding an agreement to an entity to provide this service, I would think it is fair to ask for indemnification from the service

provider for any mistakes that it makes to, you know, indemnify ICANN and then - and whoever else is down the line. Is there any concern with that?

And so maybe we just add a line and maybe when we talk about maybe in number two in function of Clearinghouse or...

Jeff Neuman: Yes. I mean where we talk about this...

Margie Milam: Put it in the – I think we have got some specifics on the contract...

((Crosstalk))

Jon Nevett: Oh yes, yes. That is a good spot. Perfect.

Margie Milam: ...all added there.

Jon Nevett: Okay.

Man: ...by number three, right.

Jon Nevett: Great. Okay. Any comments? If not we will move onto number six. Who assumes the costs of the Clearinghouse? Should the Clearinghouse be funded completely by the parties utilizing its services? And in the current marketplace, the cost is borne by the trademark holders I assume. But the benefit is they would only have to do it once verse...

((Crosstalk))

Man: All right. I thought there was also costs that the – a registry is saving from not having to do it itself so they bear some of the costs. I thought we had discussed that.

Jon Nevett: Sorry.

Man: The registry – it is harder to get to break things out right. So is it saving the registry costs? Maybe, maybe not in the sense of registries generally just pass through the third party costs.

Man: It goes into their pricing decisions.

Man: Yes. So ultimately they are probably going to be charging – I would assume that they would be charging a registrant – or I am sorry, they would be charging a Sunrise registrant less for a Sunrise registration than they currently charge. That is how the registry is absorbing the cost.

I mean if you are going to make the registry pay for part of the Clearinghouse, then the Sunrise registration will cost more than what was initially anticipated.

Man: No. No.

((Crosstalk))

Jon Nevett: But the question is should the Clearinghouse be funded completely by the parties utilizing its services. I would need...

((Crosstalk))

Man: Well that is how a registry in general is funded, right?

Man: Yes. How could it not be that?

Man: ...told me that it was funded completely by people that used their registry. That is the notion of having a registry.

Jon Nevett: Right. I have got Mark Partridge on the line.

Mark Partridge: I was just going to say when we submitted – the IPC submitted responses to these points. And our submission was that the Clearinghouse should be funded by the parties using the system.

((Crosstalk))

Jon Nevett: Okay. And maybe for that...

Mike Rodenbaugh: I have some – questions Mark.

Mark Partridge: ...(random) is registries...

Mike Rodenbaugh: Mark, what does that mean? Who is using the system?

Mark Partridge: Brand owners, registries and applicants.

Mike Rodenbaugh: Yes. I – and the registry is submitted as stating – as saying look if you are requiring the registry to adopt this and they have to use this very one, passing costs onto the registry is kind of – it is something obviously the registry is opposed.

But in the end, I mean recognize that the registries are paying for it. They are going to charge more to Sunrise registrants. And in the end it is going to be the trademark owner that pays for it anyway.

Mark Partridge: But if the party is utilizing the services, obviously it would pay for it.

Mike Rodenbaugh: You know, that argument only goes so far. The whole point of the Clearinghouse is that it benefits the entire community, right? So to some extent, the costs needs to be spread out amongst the registrars who collect that money from the community.

Mark Partridge: But you do not understand Mike. The concept they would be spread out in the sense that registries would be charging less for a Sunrise registration than what they charge today. So if today registries charge a \$250 sun fee for a Sunrise registration because they are passing through the validation costs, registries in the future will not be charging \$250 for Sunrise registration. They would be charging much, much, much less, if not the price of a regular registration.

If you are going to say now that the registries have to fund the Clearinghouse, then the price of a Sunrise registration is just going to go up to something close to what it is today, and in the end you are not saving anyone any money.

Man: I was assuming we are talking about the at best or at worst we are talking about the registries funding part of the costs, that there would still be a substantial fee charged to trademark owners, trademark holders.

Mike Rodenbaugh: That was my understanding as well.

Man: Well if the registry is paid for, they are just going to pass on the costs anyway. So, you know, the question as posed is, are the parties utilizing the serve – is the Clearinghouse being funded completely by the parties utilizing its services? Of course. I mean how could it be anything other than that unless we get kind of infusion from ICANN or someone, some other third party. But ICANN is getting it from the registries anyway through the application fee. So it is just a circular question.

Mike Rodenbaugh: I agree with that.

Jon Nevett: Hey – I have got a – Mark you already went I think.

((Crosstalk))

Mark Partridge: Oh yes. I will take my hand down.

Jon Nevett: Jeff Eckhouse and then Alan.

Jeff Eckhouse: Yes. I just – Jon thank you for stating that. I agree with you. It is to the point it is who shares it. What do you do with that cost is a business decision that the registry or registrar will make. So we are not allocating right now saying this person is going to pay this and then they cannot pass on those costs or cannot do it. So I think we just move on from this question. And actually it doesn't make sense because if I am a registry and I get this cost from a registrar and I have this cost and then I just pass it through, what – there is nobody that is going to regulate what I do and how I offset my cost and how much to that – how I do that. So I am not sure we are even worth discussing this question any further.

Man: Other than the competitive marketplace.

Jon Nevett: Okay. Alan.

Alan Greenberg: Yes. I just wanted to note that for an IP claims service, it is not clear that someone who registers a trademark with the Clearinghouse will ever register a domain service, a domain name. They may be just trying to protect their names. So in that case, definitely the trademark owner gets something. Should the registry be paying something for using the service? It is, you know, that is not 100% clear in my mind.

If we are talking about mainly using it for Sunrise, then the statement that both Jeffs made I think are – is valid that, you know, it doesn't matter where you (ret) the money, it all comes from the same place. So it really almost becomes almost a business decision of how do you equitably do this. I don't think it is something we need to consider seriously.

Jon Nevett: Okay. Any other final points? We are at the end of our time. Okay. All right.
So there are Doodles for next week for two calls for each topic it sounds like.
It sound like, you know, we are getting pretty close on some of these things.

We didn't even have time to talk about the URS outstanding issue, but it
looks like there is already some list conversations and we will just save that
for early next week.

Man: And as noted at the beginning of the call, the Doodle says they are one hour
calls. Treat them as if they are one and a half.

Jon Nevett: Okay thank you. And let's hope (David) is back next week.

((Crosstalk))

Man: So thanks (LaVonne).

Man: Thank you.

Man: Well done Jonathan.

Woman: ...Thanksgiving.

Jon Nevett: All right. Thank you.

Woman: Thanks Jon.

Man: Happy Thanksgiving.

Man: Thanks Jon. Bye-bye.

Jon Nevett: Bye.

Man: Thank you.

END