

ICANN

Transcription ICANN Copenhagen

**GNSO Rights Protection Mechanisms (RPMs) Policy Development Process Working
Group**

Saturday, 11 March 2017 at 10:15 CET

Note: 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.

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<http://gnso.icann.org/en/group-activities/calendar>

Man: It is March 11 in Hall C14 at 10:15 am. This is the GNSO Rights Protections Mechanisms Policy Development Process.

Philip Corwin: Good morning, good afternoon and good evening for those of us online with us. I'm Philip Corwin. I'm one of the three co-chairs of this working group. To my right is Kathy Kleiman, another one of the co-chairs, our other co-chairs is J. Scott Evans who is not with us in Copenhagen. He's back in California. We hope he'll be joining us in the chat room.

This is just to make sure you're in the right room, this is the GNSO Rights Protection Mechanisms Policy Development Process Working Group. This is

our face to face meeting in Copenhagen. Our agenda for today and then I'll turn it over to Kathy for some opening remarks, while we're starting a bit late the - so you're all welcome we're not going to do roll call and we're going to be speaking with Vicky Folens and her colleague from Deloitte who operate the trademark clearing house under contract for ICANN.

Following their presentation and discussion with them we're going to reviewing all the trademark clearing house charter questions to see which questions in the opinion of working group members require additional work and discussion and which ones we can basically set aside for the time being. We're going to have a lunch break from 12:15 to 12:45 and then we're going to resume the charter question discussion and we're going to close out the session with a review of our updated workplan and agree on next steps. And we had some of that discussion on our last member call.

And in order to keep pace with our projected schedule we're probably going to be stepping up the time of these meetings from we've been working hour meetings and to keep up with the timetable we're probably going to be moving to 90 minute or 2 hour meetings for the immediate future to stay on schedule as our workload gets heavier. So I'll stop there. We welcome the participation of everyone here in the room in Copenhagen. And it's lovely outside despite the windowless nature of the room and here's Kathy.

Kathy Kleiman: Hi. Kathy Kleiman. Thanks Phil co-chair of this working group. And I wanted to thank all of you for being here. And I also want to thank everyone for coming every week to the meetings. We're having excellence attendance at our weekly sessions and really good discussion so thank you so much for being there and just encouraging everyone to participate in the weekly discussion and not just observe but come on to the calls and ask questions and, you know, participate and be involved and debate the issues.

We really have an awesome responsibility here. We're the first working group to review the trademark clearing house, to review the uniform rapid

suspension, even to review the uniform dispute resolution policy. These are policies created from whole class by ICANN. And it is our job to review them and look into them and understand them and see if they're working the way they were designed and the way we need them. So this is a long process but we're doing it together and it's a very important process so again, thank you.

And I just wanted - I was talking with somebody who turns out last night who turns out to be one of the framers of the original idea of the trademark clearing house. And I just wanted to share something he shared with me. And this would be without direct attribution but that the trademark clearing house actually started as a very simple concept that it was designed to be cost effective and efficient, one place for people to put their trademarks. Instead of registering them in the past every new gTLD -- and these were kind of sponsored gTLDs in the old days before we had the big new gTLD rollout but under the sponsored gTLDs every new registry created their own trademark database for which trademark owners paid to be put into it and then use that for their own rollout sometimes called the sunrise, sometimes called other things.

And this was designed really as a clean, clear cost-effective efficient mechanism. We're using it in many ways far beyond that so our role as reviewers of this process is even more important but I thought that history was interesting. So we are going to move quickly on. I don't think we're going to do updates to statements of interest today.

Philip Corwin: Sure.

Kathy Kleiman: We'll save that for the weekly call. But we are very pleased to have Deloitte with us today and not just Vicky Folens but Jan...

Jan Corstens: Corstens, Jan Corstens of Deloitte. I was there from the beginning of the clearing house together with Vicky.

Kathy Kleiman: Jan signed the contract with ICANN he tells us so this is great. And so as you know we've spent weeks putting together not only initial questions for Deloitte but follow-up questions. And so they're going to be introducing themselves, the trademark clearing house a little bit, some new material they've put together just for us and then we'll be launching into a discussion of the follow-up questions as well as other questions that are in the room. Thank you very much. Over to Phil for a second.

Philip Corwin: And one other thing I wanted to note before we let the folks from Deloitte begin their presentation the co-chairs of the working group about an hour ago received an email from the Electronic Frontier Foundation transmitting a letter signed by quite a number of law professors taking issue with some aspects of the trademark clearing house that has nothing to do with Deloitte. They didn't design the rules for the clearing house. So that's a - those are policy decisions.

I'm just noting the receipt that letter will be distributed to working group members. We're not taking any - certainly the chairs are not taking any position either agreeing or disagreeing with the contents of that letter at this time. We're simply noting it's receipt and that it will - is relevant to the clearing house and will be distributed to working group members. And with that we welcome our colleagues from Deloitte and please launch into your presentation regarding the key aspects of the clearing house and the new data that you've developed for this meeting. Thank you.

Vicky Folens: Good morning everyone. I'm Vicky Folens, Director of Deloitte and I am the Project Manager of the Trademark Clearing House. So I check to see that our groups or our foundation teams throughout the globe do the correct process.

Jan Corstens: And my name's Jan Corstens. I'm a partner with Deloitte. I signed the agreement with ICANN at the time and I bear and responsibility within Deloitte. And I'm also involved in the project following-up on a weekly basis with the team on how things are going.

Vicky Folens: Mary the...

Mary Wong: We're having some technical issues so we do have the document that was sent by (Peter) and we'll upload as soon as connectivity is back, apologies for that.

Vicky Folens: Okay, no worries. Thank you. So what I wanted to share today was the fact that on the last set of questions that you posed to us there were a lot of questions around the numbers of how many trademark records there were in the clearinghouse, how many were unverified, how many did not pass the validation process or the verification process. And that is what we wanted to share with you today in addition to answering other questions that you may have. Yes.

Jan Corstens: Shall we just talk through it? I mean, okay it's not on the screen but we can obviously...

Philip Corwin: Yes why don't you just presenting it...

Jan Corstens: Oh, well...

Philip Corwin: ...so hopefully the technical difficulties will be resolved.

Jan Corstens: Well we have to - we'll have to pull it up ourselves so, yes.

Philip Corwin: For those who are not in the room but online we're having some technical difficulty displaying the document from Deloitte so they're going to start presenting as soon as they bring it up on their own computer. And as soon as we can bring it to the screen in the Adobe chatroom we will. But the reason folks are not seeing it both here in the room and online is that there's a technical problem which is unusual at ICANN but does happen.

Vicky Folens: Yes I do, thank you. So the first thing that we want to share is definitely from the - this kind of type of trademark records that we have in the clearinghouse. And we have the registered trademark records. We have the trademark records that the trademarks that are protected by statute or treaty. And then we have the court validated trademarks. So those are the only three distinctions that we make in the clearinghouse.

From a registered trademark records going - give me one second here.

Kathy Kleiman: And while Vicky's looking I should note that a lot of this information is already in the reports to ICANN but it was spread out over many months and in a format that's difficult to read so we thank Deloitte for kind of putting this together specially for us.

Vicky Folens: So from the trademark record activities so these are numbers that you will indeed as Kathy said find in the ICANN reports. But we provide a monthly report to ICANN and so that's why we consolidated all the numbers so that you have a full overview. For the trademark records that are submitted to the clearinghouse there are 4251 currently submitted, yes. That means they're just submitted. That's the total number of all the trademark records in the clearing house. Some of them have passed the process of verification and of that number that's 38,000 that are successfully have the status verified in the clearinghouse. We have another status in the clearinghouse which is incorrect, yes. That is the status where the trademark records when they don't - I'm sorry, when they don't pass the first verification process they receive an incorrect status. And that actually allows the trademark holders to correct that information.

We don't count that incorrect status in the trademark clearinghouse as an actual number here for the reporting due to the fact that it hasn't had - received a final status because we have two final status which is the verified trademark status and the invalid trademark status. From the numbers that are

unable to be verified we're about 3800 trademark records so I'm exactly saying - exact 3879.

And then you'll see in the report that we provide information of deactivated trademark records. And what is that some - when - as we have two final statuses, the verified trademark record status and the invalid trademark record status. And due to the fact in that I think when - was one of the questions as also that came up in today in - or in the paper that you guys sent was the question what happens if a trademark record goes to invalid? Does it need the database? So for trademark clearinghouse purposes it was always requested that no data would be deleted. So that's why it becomes invalid. Sorry, not it doesn't become invalid. That's - it becomes deactivated. So in the event that a client wishes no longer to have anything to do with the clearinghouse those trademark records will indeed become - I mean, will have the deactivated status now.

Now as I mentioned we about 42,000 trademark records in the clearinghouse. And of those 42,000 there are 41,937 that are - sorry, are registered trademark records. If we look at the other numbers by trademark - I mean, the trademark records that includes the trademark that are validated by court of law or a judicial proceeding those are 16 that were submitted to the clearinghouse and only four of them were successfully verified. And some trademarks detected by statute or treaty the total number that was submitted to the clearinghouse as of date is 98. And 75 of those are verified.

And it's also important to note that with these different type of trademark records that we have there is different type of information that the trademark holder needs to submit to the clearinghouse. So it's in - I mean if you'll see it's in the trademark clearinghouse guidelines you'll see all the different type of information that we request. And depending on that information they pass the verification or receive the invalid status in the event that they were unable to provide the corrected information. And from the number of abused labels I think we mentioned that as well in our last responses but we have 209 cases

that were submitted. And of those cases there were 375 labels that came out of those UDRP cases.

Kathy Kleiman: And for those following the other name that's the trademark plus 50 issues.

Vicky Folens: Correct. And that gives a little bit overview of the numbers in the clearinghouse.

Kathy Kleiman: Thank you very much for preparing that. Does anybody have a burning question they want to open the floor with for Deloitte? We've got our follow-up questions but people have them. Go ahead Susan, Susan Payne.

Susan Payne: Thanks Susan Payne for the record. It's a really quick burning question. You've mentioned your reports that you give to ICANN and I don't believe the full scope of the report is being made public at the moment to the wider community. I think there are aspects of the report that are being published. From your perspective is there any reason why your full reports couldn't be made publicly available?

Vicky Folens: The reporting that we provide to ICANN has other items in the - I mean has other items mentioned that we have on the contract with ICANN yes? And some items that are in that reporting can become confusing if you just see it without - if you just see numbers without the information. For example one of the items that we have in the reporting is that the number of trademark holders that have a - that are - have an account with the clearinghouse. And if you take that number and you would then think of all those trade - because they - we have a lot of trademark holders that just come through the clearinghouse and they just create an account but they don't submit anything. And if you see that number then you're going to start having questions about why is there so less trademark records if you look at the numbers? So there's a lot of information in there that could lead to misinterpretation of the numbers.

Philip Corwin: Yes Philip for the record. I'm just prompts a question. Why would a trademark owner register with the clearinghouse but not submit any trademarks? What advantage would they get from the initial...

Vicky Folens: They don't...

Philip Corwin: ...registration?

Vicky Folens: They don't get any advantage of actually creating an account. The one thing that they - well most likely why - what stops them is because of the fact that they don't understand the program, yes? So they just register something to - I mean, to create an account, just to create an account.

And secondly they'll see sometimes that they'll start looking at all the information that they need to provide and then they'll work with the trademark agent. So we have trademark agents that are firms that are have accounts with the trademark clearinghouse that submit the trademark information on behalf of the trademark holder. So they'll create an account and then stop there and just say I'm just going to give it to my lawyer or whatever that represents them to submit that information to the clearinghouse.

Philip Corwin: Thank you for that response and Phil again for the record. One other just I was taking the notes just to summarize I believe the basic data you just gave us was that there was 42,000 trademarks submitted. Of those about 38,000 were validated, close to 4000 were invalidated so about 90% of those submit are validated, about 10% invalid. And of the ones validated the 38,000 379 come from trademark plus 50 so the TM plus 50 marks represent about 1% of the total number of validated marks.

Vicky Folens: And can you repeat that the last toll?

Philip Corwin: Well you said there were 38,000 validated remarks and then you said there were 379 marks resulting from 209 abused labels which were basically

trademark plus 50 program registration so that would be 379 would be about 1% of the total 38,000.

Vicky Folens: It's - not quite sure how you come to that number because from the cases they're only 209 UDRP cases and...

Philip Corwin: I know but you said there were 379 marks resulting from those submissions. And if I'm wrong, you know, let me be corrected now. My notes were...

Vicky Folens: At...

Philip Corwin: ...(unintelligible).

((Crosstalk))

Vicky Folens: ...375 labels yes...

Philip Corwin: Okay.

Vicky Folens: ...that are coming out of those UDRP cases so the...

Philip Corwin: Right.

Vicky Folens: UDRP case every label that is mentioned in the UDRP case where they have and that they got the transfer can be added through the clearinghouse to get the claims notifications.

Philip Corwin: Right. And all I was observing is that those 375 would constitute about 1% of the total 38,000 mark that have been...

Vicky Folens: Yes but...

Philip Corwin: ...validated in the clearinghouse.

Vicky Folens: Those - the labels or the strings actually...

Philip Corwin: Right.

Vicky Folens: ...yes? But if you look from a trademark record perspective...

Philip Corwin: I realize they're not trademark but they are in the clearinghouse.

Vicky Folens: Yes.

Philip Corwin: Okay, thank you.

Mary Wong: So before we hand it back to Vicky just a note that we're back up in Adobe Connect both of those here as well as for those joining us remotely. And so thank you for your patience. What we have on the screen now is the report that Vicky is presenting parts of it. And I note that there's also a question from one of our working group members in the chat. And I can read that out or and let you know the whole question.

This is a question from George Kirikos. And he asks, "How many records will verify with proof of use and therefore sunrise eligible?"

Vicky Folens: So to answer that question and you can actually find that also information on - in the report on Page 10. So first of all for the proof of use it's important to note that the proof of use only needs to be submitted with the trademark records that include the registered trademark sorry, so court validated trademarks. And marked protecting of statute treaty does not meet that proof of use. And if you look in the reporting here so we're talking about the verified trademark records that meet the sunrise eligibility or are in total are 27,228. I'm sorry, getting my numbers wrong in the different languages. That doesn't mean that the other trademark records I - in the question did they submit

proof of use? It could be that indeed they submitted proof of use but only 27,228 are indeed sunrise eligible.

Kathy Kleiman: Great. Thank you. And Mary please keep interrupting us as questions come in from the room of participants. Other burning questions and of course the mic is open back there for people sitting in the seats.

Okay well one of the questions we've been talking about -- and I mentioned it just prior to the meeting -- is geographical indications. There's been a lot of question about what it is, how it might be protected and whether shy of having a trademark, not having a trademark, whether it's being accepted into the trademark clearinghouse. And this is of course one of our follow-up questions. But if you haven't - you know, if it's an appropriate time to answer it we'd love to know.

Vicky Folens: So geographical indications was given as an example and you can see that in our clearinghouse guidelines as well. As an example of a trademark protected and a statute or treaty, yes? And but how many they have been submitted to the trademark clearinghouse that we don't have numbers of because of the fact that they've - we only have three types of trademark records in the clearinghouse So they constitutes or if they are submitted through the trademark clearinghouse it will be under trademarks protected by statute or treaty.

Kathy Kleiman: Can you give an example of a geographical indication that's in the clearinghouse or of the type you might accept?

Vicky Folens: At this stage the example that we provided was as mentioned in the clearinghouse guidelines. There is an example there that we could accept to the clearinghouse but I don't know by heart what it was. And from what actually was accepted in the clearinghouse I don't have that number at this moment.

Kathy Kleiman: Okay of the 75 marks have been accepted through statute or treaty some portion of those are geographical indications but we don't know...

Vicky Folens: Correct.

Kathy Kleiman: Okay, that don't have underlying trademarks?

Vicky Folens: Because yes that I don't know either because we make the splits between these three different trademark records.

Kathy Kleiman: Great, thank you. Does anyone want to follow-up on geographical indications? Again it's been a topic we discussed extensively on the weekly meetings. Okay then design marks, another topic of great interest to the working group, a number of examples we're (unintelligible) which we don't have to go to - that we'll expect, you know, them in the written responses but we had asked about design marks.

A question came back that that was an improperly defined question. So we did seek to clarify and Jan has - I'm looking at the follow-up question but I'll just read briefly. Design marks are marks that describe device or image mark or otherwise marks that do not exclusively consist of letters, words, numerals, special characters which are discussed - those things discussed in the trademark clearinghouse guidelines. So if you have an ampersand it can be replaced by nothing or an and.

But this is something that is more, you know, design or figurative or it's called different things in different countries. So we were wondering how many of these have been submitted and validate, what's your criteria for validating them, you know, if you can talk about design marks. Thank you.

So indeed we accept device, marks. Device marks in Europe are mostly word marks. That was one of the issues that or the reasoning behind it the fact in trademark clearinghouse that there is no global standard or no global

definition of a device mark because in some countries a device mark is a word mark, in other countries it's a combined mark, in other countries it's a stylized mark. So there is no general definition of an image or a device mark.

From the numbers in the trademark clearinghouse so we don't make a distinction as such when it comes in to – whether it's a design mark or a word mark. So a mark that doesn't have any kind of image in it but how we verify? We verify it at the same manner.

So we take a look at the – so when it's important to note that we get the information from the trademark holder yes? So they submit this information and they submit the word that corresponds with their - with the trademark on the trademark certificates yes? We then take a look at the trademark certificates and what we can take out of that word - I would take the words out of that trademark that will be is what it is represented on the trademark record. And if we can match that then we will accept it.

Philip Corwin: Okay. Let me ask a follow-up. Phil for the record. So you accept marks that might be considered design mark. They're mostly words but there's some design aspect to them but then so that's per acceptance. But in terms of actual operation of the clearinghouse the rights protection mechanisms linked to it only the words would really be important as I would...

Vicky Folens: Correct.

Philip Corwin: ...understand it. And then...

Vicky Folens: ...because it's only the word that can be representative in a domain name.

Philip Corwin: Right. The trademark on it would only have if they have proof of use a sunrise registration right and they'd get a claims notice there's an attempt to or there's an actual registration of a term that is an exact match of the mark...

Vicky Folens: Yes.

Philip Corwin: ...of the word mark but not the design aspect. Thank you.

Kathy Kleiman: Questions about design marks? I've got a few more but let's open it up? Okay in the United States in the design mark the trademark owner can disclaim exclusive right to use that mark and in fact will particularly if pushed by the trademark examiner. If there's a disclaimer does that affect what you're porting into the trademark clearinghouse?

Vicky Folens: Not that I am aware of because of the fact that it's the disclaimer has a legal connotation and we don't provide any legal opinions. We just check the factual data and then submit it in the trademark record and see that it corresponds with what is on the trademark certificate.

Kathy Kleiman: Other questions on design marks? Please. Come to the microphone please and thank you.

Woman: Part of the mark consists of a generic term such as beer or something like that just put it in the database or?

Vicky Folens: As I mentioned earlier we just check the factual information. So we don't – we're not a trademark office. So from a trademark clearinghouse perspective if that is indeed what is on the trademark certificate then it will be indeed accepted if they meet all the other criteria.

Kathy Kleiman: Greg Shatan please.

Greg Shatan: Thanks. Greg Shatan for the record. Do you have any particular definition of what constitutes a design mark and does that include a mark that's in words only but just in a font other than, you know, just typed letters?

- Vicky Folens: So in our clearinghouse guidelines we give the two different type of marks that can be represented in the clearinghouse because of the fact that it's representable in a domain name. But that's the only two categorization that we provide. We don't make any other distinction. And I'm apologize but the definition is so long that I don't know it by heart.
- Amr Elsadr: Yes.
- Kathy Kleiman: Amr could you introduce yourself as this is your first meeting with...
- Amr Elsadr: Yes. Hi. I'm Amr Elsadr. I just joined ICANN staff and I will be supporting this PDP working group. I'm also doing a remote participation management for this meeting and there's a question from George Kirikos in the chat. He's asking if there are any statistics on the percentage of design marks?
- Vicky Folens: Unfortunately we don't have those statistics as we don't make that distinction.
- Kathy Kleiman: So as an appendix to our follow-up question there's a number of examples that members of the working group put together, you know, with some time. So I'll just highlight one. One is cars. It's a very stylized mark, a design mark for cars for clothing the goods and services or clothing.
- And so what we're hoping that you'll give us some guidance as you go through these that they were put together. So we're looking forward to some of your responses on this. Thank you. I again because we can't see exactly what's in there will go by way of descriptive examples. Thanks. And we'll of course share that as soon as those written responses come back.
- Kathy Kleiman: Additional questions for Deloitte?
- Philip Corwin: Don't be shy. This is your opportunity to ask question directly of the people who run the clearinghouse. So if you have any questions about it? Yes sir. Could you please go to the microphone and introduce yourself?

Kathy Kleiman: Yes.

John Rodriguez: Hi. Good morning. My name is John Rodriguez and I'm with the US Patent Trademark Office. I did want to take a step back and go – return to a question that was initially asked to Deloitte regarding geographical indications just for clarification purposes. Could you explain the why aspect as to why GIs are included in the trademark clearinghouse? I understand from reviewing the framework document that the clearinghouse focus is mainly on trademarks. And I know many parties do distinguish these designations between trademarks and geographical indications. I know there are varying perspectives on the scope of protection that GIs have. That is an ongoing discussion that's happening in many other international fora so I was curious or wanting to know really why this type of designation was being included? So any elaboration you could have would be appreciated. Thank you so much.

Vicky Folens: Thank you. It was always represented as a mark, as an example of a mark protected by statute or treaty. And then it's, you know, there's no other reasoning behind it.

Philip Corwin: Jon Nevett I think you had a question.

Jon Nevett: Yes, a quick question. Hi guys, thanks for your presentation. Phil mentioned a letter that went out this morning. It was published this morning that we saw about the trademark clearinghouse from several law professors. The second part of the letter suggests that the clearinghouse should be open and searchable. And I was wondering if you guys have an opinion on that issue of if we came up with a policy that said the clearinghouse should be open and searchable how much more implementation and are there any other issues that you might raise in concern or not concern of that?

Vicky Folens: The only – at this moment again at this moment it's hard to say the full grasp but there could be a privacy issue from a contact. But if it's only the trademark information because all trademark information is eventually publicly available. I don't...

Jon Nevett: Thank you.

Philip Corwin: Phil Corwin. Let me comment on that on a personal capacity then I see - think Susan wants to say something. All the trademarks in the clearinghouse are of course available publicly in the original database from which they are derived. The decision was made as I understand by the SGI RT...

Kathy Kleiman: Yes.

Philip Corwin: ...or somewhere else -- I'll let Kathy speak to where -- that the marks entered into the clearinghouse should not be disclosed publicly, that they should remain private. The rationale I've heard is for that although the, while any given companies trademarks in a given nation where they've been registered will be publicly known that the ones they choose to register in the clearinghouse would indicate the priority of importance to which they give those various marks.

The working group has learned that it is possible for any party to basically reverse engineer the clearinghouse and submit a list of any company's trademarks and by if they generate a claims notice you're going to find out which ones were registered. So the question of whether the database should remain confidential is a policy issue that this working group isn't going to have to address. And I think Susan had her hand up.

Kathy Kleiman: Hold on just a sec.

Philip Corwin: Yes.

Kathy Kleiman: And this is Kathy again. A preview of coming attractions this is Question 15 and we'll be dealing with this this afternoon.

Susan Payne: Thanks. It's Susan Payne. It was just a follow-up question to John's one. We haven't decided on the policy on this issue of course and then John and I may have different views on which way we should go. But are there any technical or practical implications for you in trying to open it up? Would you have to build more systems? Is it searchable now? You know, what would it entail from your perspective and how much would it cost?

Vicky Folens: So and before I answer that question I just want to add that we've received this question already from a lot of people as well that they would prefer to have it from a searchable but I don't know which - from which point of view that they are asking these questions. But from an implementation cost that is something that I - I think I don't know if you're able to say something but at this time it's hard to say?

Jan Corstens: No, Jan Corstens. I think you'll have to design what type of query that then would have to be in. Is it then really public or are you still going to restrict it to people have to identify themselves yes or no? What type of information needs to be provided? Does it need to come through the trademark clearinghouse content or does it need to come from the TMBB? I think you need to describe what it is that the community wants them and after an agreement that can be implemented just like we implemented any other request we got but yes what I mean is it' not just a simple question. You have to define it properly and then we'll say. But I think we've implemented pretty much everything that was asked to us so from that perspective I think – don't think it would change.

Philip Corwin: Thank you. And as I understand your answer if this working group were to recommend the database becoming public to any extent there are quite a number of technical questions that would have to be addressed for you to know how and to whom that revelation should take place. Are there any other

we've got some online questions. Are there any other - we've got some online questions. Are any other questions from people in the room before we have Amr ask some of the online questions? Yes if you're back there please step to the microphone. That's how we know you have a question and identify yourself. Thank you.

Susan Anthony: Microphone, good morning. My name is Susan Anthony, United States Patent and Trademark Office, sort of fading in and out here. Thank you very much for your response about geographical indications being included in the clearinghouse under the marks protected by statute or treaty. I had a follow-up question. My question is do you have any records indicating how many of the GIs in the TMCH are in fact protected by trademark?

Vicky Folens: Thank you for your question. From as they are protected in the statute or treaty so we currently have if I'm not mistaken, my computer just died on me, 75 protected by a statute or treaty that have a verified status in the clearinghouse. But of that number I can't tell you at this moment how many GIs that we have as we don't have - we don't make that distinction in the clearinghouse.

Susan Anthony: Maybe I'm not completely following your answer. What I'm trying to figure out - well then I guess you wouldn't have the information of the GIs that are in the clearinghouse how many of those geographical indications are actually protected by trademark. That's no?

Vicky Folens: No. That's a number that we don't have.

Susan Anthony: Thank you very much.

Philip Corwin: Any other questions in the room? If not we're going to turn to Amr to read some of the chat room questions?

- Amr Elsadr: Phil this is Amr. Actually Vicky just answered the question for the remote participant right now also about GIs and how many are protected under statutes and treaties so thanks. There's one more that just came in. This is Amr again. It's another question from George Kirikos. If the sunrise verification didn't take place how much would costs go down?
- Jan Corstens: Jan Corstens. I wouldn't know at this moment, difficult question. I mean it would still - what would the requirement then still be would be my counter question and then perhaps I could give an answer. But based on such open question impossible to say.
- Kathy Kleiman: So another one from our list of follow-up questions. And I would encourage – this is an experiential one - oh I apologize. Go ahead microphone.
- (Phil Peteo): My name is (Phil Peteo) I have a question for you Jan and Vicky. I would take – I would make a distinction between privacy issue and issues of confidentiality to reveal information. Is that not what you would need to look at? I don't think I lot of people have in their personal capacity registered a trademark in your system. So I don't think that privacy laws apply in any event. Can you clarify that?
- Vicky Folens: So when I mean privacy laws - okay or the question on the applicability sorry on the privacy law is because of the fact that we have before you actually submit a trademark record to the clearinghouse you need to create an account. And there you have people that do the personal information because you get the name and the full name of the person that owns the account. So it's on that part. So that's why it's important too as Jan says the requirements need to be defined as to what would be made publicly available. If it's just a trademark that is mean - being made publicly available that is not from privacy -wise that's not going to be an issue. But there's more information in the clearinghouse than just the trademark information as we have contact information, account information of the users.

(Phil Peteo): Thank you. Well I have a more global question if you allow me which is if I recall well three, four years, 3-1/2 years ago you were at I think something like 35,000. You're now at 38,000 after verification. What does that mean macro economically? What does that represent? My clients, you know, I'm a trademark lawyer and I do a lot of litigation in trademarks. And my clients they ask me what is the use of this? They understand after we explained that it's quite relevant in the sunrise period but what is the added value of being in the system past that sunrise?

Vicky Folens: So if I may add, you know, when you say 38,000 that means the sunrise eligibility requirements. That is correct but from the 42,000 there - sorry from we have trademarks that have the sunrise eligibility requirements but the ones that don't meet the sunrise eligibility requirements still can receive the trademarks claims notifications and the ongoing notifications. So there is an added-value of the fact that you're receiving information of when a domain name that is being registered matches your trademark in a clearinghouse. You don't have to be sunrise eligible to receive the notification.

(Phil Peteo): Let me rephrase my question. What would the whole system – how can the whole system be more attractive? I mean what do I have to expect macro economically? Should I expect 50,000 in a year or so or are you going to stay at that level? So who has not knocked on the door who could?

Jan Corstens: Who has not knocked on the door of the new gTLD program that could have, same question. I mean I don't think it is us as an operator. It is up to us to define what the value should be. I think as it was designed it is ICANN community that has defined the value that it needed to bring and we were the ones that needed to execute upon that and that's all that we have. But I'm more than happy to share my personal opinion over a beer but I don't think this is the forum to do that.

(Phil Peteo): Thank you.

Kathy Kleiman: This is Kathy Kleiman. At least in my recollection historically the trademark clearinghouse was designed as a mechanism for the rollout of new trucks for a period at the beginning of the new gTLD. So to that extent it appears to be serving its purposes for which it was designed, personal opinion.

Woman: I do have another question.

Philip Corwin: Yes and well just to follow-up and Phil Corwin and this is a personal view, not an official view as co-chair. The clearinghouse of course is the basis for two RPMs. One is the sunrise registration which is the right for a limited period at the opening of each new TLD to register a domain that corresponds to your trademark.

That aspect will probably be - that usefulness is nearing its kind of end-of-life for the first round of new TLDs because we're pretty much at the end of the rollout of the first round. It also generates claims notices to both the registrant and the trademark owner when a domain is registered that corresponds exactly through the trademark. And the clearinghouse offers an additional service I believe for an additional fee -- and correct me if I'm wrong -- where the trademark owner can continue to get notices when such domains are registered past the initial 90 day claims notice.

So that's basically the value to the trademark owner. The first value is going away because we're nearing the end of phase one rollout. The claims notice notification would continue to be available to the trademark owner if they paid for the additional service. And the people from Deloitte want to chime in on that.

Vicky Folens: So if they just (unintelligible). First of all there's no additional cost yes so it's one fee.

Philip Corwin: I stand corrected on that.

Vicky Folens: And secondly the also next to the ongoing notifications we also have registries that provide an ongoing claims notice. So that's also important added value to the users of the TMCH as well.

Philip Corwin: And that's actually reminds me that the registration clearinghouse is the basis for other private mark protection services offered by various registries. And that's something this working group will be looking at the operation of later on in our work. Thank you.

Kathy Kleiman: Okay another question for a follow-up questions. Previous community feedback has indicated that although the trademark clearinghouse verification process appears generally effective in restricting noneligible marks there may be a lack of consistency in the application of the submission verification and/or rejection criteria for inclusion of a trademark record in the clearinghouse. For example some community commenters have indicated it's not always clear why a particular submission was rejected or what is acceptable as a proof of use? This is a topic that the working group would like to discuss further with you at ICANN 58 in Copenhagen.

So would anyone like to kind of expand maybe on their experiences with the trademark clearinghouse and any kind of rejection or questions and if not we'll hand it over to Deloitte for a response?

Vicky Folens: Thanks. Thank you Kathy. So from - if I just may add first before diving in this what - we have a checklist of questions that our verification groups need to answer when they're checking a trademark record. So when it doesn't match the information that they find then it's going to go – the answer's going to be no and a standard pop-up information is provided saying for example the registration date does not match what is on the trademark certificate.

We do not say what the registration date is for the simple reason that we need to verify the information that is provided to us. If we already mentioned in a process where we're already saying what the data needs to be then you

already could have consistency issues yes? From a proof of use we have two main - sorry, two main standard answers that we give when a proof of use doesn't qualify for the verification in most cases because of the fact that the declaration is either not signed or the name of the submitting party doesn't match what is on the trademark record yes?

So the name of the submitting party needs to match the trademark holder information that is submitted on the trademark record which at - and in the - in back is match on the trademark certificate. So we first check the trademark information. When that passes verification then it goes to proof of use, yes?

Secondly we do have the sample of use. You have the list of samples that are accepted by ICANN. And sometimes we don't always see. For example we have packages or containers now where people take a picture and put it in there. We don't always see what that is. So we say the sample of use is insufficient because sometimes it's because they – how they presented it through a – because at the end of the day it's paper. I mean it's documents that are coming through the clearinghouse yes?

So that's why it's sometimes indeed that we just say I think we say the proof of use sample isn't sufficient because we can't always see what the actual sample is so we can't say it's because of the fact that this is not a container for example or this is not the label. So that's and I'm getting that's where the notion of inconsistency comes is because we just say sample use is insufficient, please provide us with an example.

Kathy Kleiman: There are some people here in the audience that work with the trademark clearinghouse regularly. Let's...

Nick Wood: Yes Nick Wood from Cum Laude. We - we're a corporate domain registrant. We work with you a lot. We've always found the service from your staff to be really helpful in this regard and sometimes we put forward information from clients and we wondered whether it would meet your requirements and

you've been extremely helpful coming back and saying actually we need more.

We've never felt it's been a push over to get something in. We think you - it's a good service you provide. And buy me a beer afterward.

Vicky Folens: Yes I just want to thank you for that.

Kathy Kleiman: Terrific. Well we're closing our hour with Deloitte. We truly, truly appreciate you joining us here. Will you be staying for the rest of this meeting, for the rest of ICANN meeting if people want to buttonhole you in the hallways how can they find you?

Vicky Folens: I'm here until Wednesday so definitely you can also - and you're here until?

Jan Corstens: Monday.

Vicky Folens: Till Monday so...

Jan Corstens: I will stay today yes.

Vicky Folens: Yes, yes definitely yes.

Jan Corstens: I will stay today too.

Kathy Kleiman: Perfect. Any further questions? We've got five more minutes? Otherwise we'll begin our discussion of other - of our charter questions. Thank you again.

We will not be taking a break so we're moving on to the tables that Mary urged everyone to print out before coming here. I've got an extra copy which I can provide on break to somebody who wants them. Mary could you tell us what document and where we're starting on that please?

Mary Wong: Sure Kathy. This is Mary from ICANN staff. And according to the agenda that was circulated to the working group there are three tables that we're considering. And those tables basically compare in a general sense each of the questions relating to the trademark clearinghouse that's from the working group charter again what I might call the developmental materials that led to the final scope of the trademark clearinghouse and those include of course the STI recommendations from the GNSO in 2009, the text from applicant guidebook and other supporting program documentation.

So the working group has started with Category 3. And I should say that for the trademark clearinghouse charter questions that I mentioned there are 16 of them in I believe six categories. We started with Category 3 and Kathy I believe the intent today was to complete Category 3 which I think we have one question remaining then move on to the other two tables starting at Category 4 through 6 and then going back to categories 1 and 2.

Kathy Kleiman: So Kathy Kleiman again this is - thank you Mary for the introduction. This is tables that Mary spent a lot of time putting together for us. So we've already got through the questions at least once before. These are the 16 questions. For those who don't have the background these are the 16 questions, big picture questions on the TMCH charter. These are not questions on the sunrise period these are not questions on the trademark claims. These are not questions on private uses of the trademark clearinghouse. These are kind of the big picture questions that we put together. And we'll go on to those other questions in a different phase, you know, next.

But Mary put together a comparison because one of our reviews is is stuff happening the way it's supposed to be happening? So we're looking at what was accepted by the GNSO, by the ICANN board in another column what went into the applicant guidebook, in another column what the clearinghouse is actually doing? In most cases that all corresponds but not in all cases. So this is one of the areas for our discussion.

So the first question is Number 11. And Mary do you want to read it and - or I can read it -- whatever's better for you? Okay I'll be happy to read it. And now we're doing the deep dive. Again we've reviewed these questions at least once but we reviewed them largely to think about the questions we wanted to ask for Deloitte - to Deloitte.

Now we're reviewing them for a deep dive. This is our job to evaluate these questions, to evaluate the answers. In fact in some cases in the table you'll see no follow-up needed from Deloitte. This is for the working group to discuss further. So this is our opportunity to go through to see if these questions they originally raised a concern for somebody.

These are questions that originated in the charter that we were given by the GNSO Council and then they were further refined by a subgroup that different people around the table were members of a defined grouped together, clarified.

But now they're before us. So if -- so the purpose of the next two hours will be a break for lunch is to come up with are these questions that are important to us? Are these questions that need answers? Are these questions that need revisions? Are they things that we can move on from? So Question Number 11 is should the scope of the -- and I'll read the acronym. Should the scope of the rights protection mechanisms associated with the trademark clearinghouse be limited to apply only to top-level domains that are related to the categories of goods and services at which the dictionary terms within a trademark are protected?

And this relates somewhat to the caveat that we were given by the GNSO Council. And I'm looking for it I'll paraphrase it which is that in no way should any rights be extended by the trademark clearinghouse so that it's not a way of extending rights. So tying the use of the trademark to the goods and services might be one way of doing that. That might be one way to interpret this question.

So as you can see we have some information from the STI about the use of trademarks and claims in sunrise. And we have some information from the Applicant Guidebook that says that all new gTLDs will be required to use a trademark clearinghouse to support its prelaunch or initial launch period rights protection mechanisms.

These RPMs at a minimum must consist of a trademark claims service and a sunrise process. So right now there's no tying of the goods and services to the rollout of a new gTLD. So your goods or service could be for clothing but you're going to be able to use it for .lawyer.

Is a good? Is that bad? Are there technical considerations? Does nobody care? Susan?

Susan Payne: This - yes Susan Payne for the record. I just wanted to just make one quick point which I know we all know but we do keep overlooking I think which is that you don't get any rights from putting your mark in the trademark clearinghouse. It doesn't create anything. It gives you the opportunity to spend more money during defensive registrations and having notices go out to registrants which don't prevent them from registering. So you don't create rights by putting the mark in the trademark clearinghouse.

Martin Silva: Although it's true that it doesn't create...

Kathy Kleiman: Martin could you introduce yourself?

Martin Silva: Yes I'm sorry.

Kathy Kleiman: I'm sorry.

Martin Silva: I'm Martin Silva from the Noncommercial Stakeholder Group. It is true it doesn't create rights itself but it can lead to some sort of abuses of the

system if we are not careful. It may not be an exclusive right to anything but I don't think it's irrelevant the effect that it has that things are being protected or registered specifically. It may be overdue on what we actually want the trademark clearinghouse to do.

Kathy Kleiman: Thank you Martin. Heather Forrest please.

Heather Forrest: Thanks Kathy, Heather Forrest. I take Martin's point but I think to the extent that we have concerns around that we need to be addressing that in the notice that's generated upon attempt to register a domain name. And that's let's say the differentiation of classes of goods and services is not something we should be asking a trademark clearinghouse provider to assess themselves. We were very careful of drafting those mechanisms to work with things on their face if you like.

And I can only see us going down this road of putting more discretion and power in the hands of a trademark clearinghouse provider one or many and then complaining that they've abused that and/or applied standards inconsistently and so on and so forth. So I think the mechanism is there and that's the careful drafting of the notice and what happens on receipt of that notice. Thanks.

Kathy Kleiman: Brian Beckham.

Brian Beckham: Thank you. Brian Beckham for the record. Just to dovetail on what Heather said I think there are a lot of reasons the answer to this is an obvious no. It's a very nuanced area but two obvious ones are trademark owner might submit the registration for one class out of the 45 possible classes of goods and services for recordation in the trademark clearinghouse. So Apple for example could submit a trademark for computers and not for music services and so would they be allowed into the .music registry for example for a registration certificate that was founded on selling laptops?

Another is the concept of bridging the gap. So again to use the Apple example they started off selling computers and then many years on they got into the service of providing music and iPods and things like that. So again even beyond possibly addressing this in the claims notice there are some fairly nuanced issues that I think just couldn't be captured in these types of proposed limitations. Thanks.

Kathy Kleiman: This is Kathy Kleiman. But to play devil's advocate if you have Apple should Apple have the right of first registration during the sunrise period in .food? Does that go beyond the categories of goods and services with which that mark is protected? So I have a question I know there are registries in the room and I'm looking at one directly so feel free to answer.

It's my understanding based on material that Mary Wong found from the GNSO recommendations that registries have the ability to do a matching if they want to, that the categories of goods and services -- Deloitte's not there anymore -- are in the Deloitte trademark clearinghouse database and that registries if there was a .lawyer or .food could pick and choose categories of goods and services that are related. Is that accurate and how difficult might that be technically?

Jon Nevett: Jon Nevett for the record. Yes I believe it is available. The -- but it's pretty complicated and pretty - it would be very difficult to implement for a lot of reasons. One would be I don't want to say a majority but I think it's pretty close to a majority that the new extensions other keeping the brands aside are generic terms and they're not specific to a class of goods and service.

So we have, you know, something like a .shoe would be specific but ., you know, using the example .online or .website or .guru things like that that are just pure generic terms that would be really hard.

I think some registries may have done this and certainly we talked about it in the policy development in the last round which was having a land rush

process exclusive maybe to a geographical area. So if, you know, .Paris might want to only use French trademarks or something in the second land rush process or if you're a .shoe registry maybe you want to look at classic goods and services for another pre-launch pre, you know, launch process. I don't know if any actually did it or not but certainly that's one of the things we talked about why we wanted the class of goods and services in the clearinghouse. Thanks.

Phil Corwin: This is Phil Corwin speaking on a personal capacity. My personal view on this question if I had seen what might be considered abuse whereby someone with a trademark for a specific class of goods and services was doing sunrise registrations across hundreds of TLDs that had nothing to do with the goods and services I might be inclined to answer this question in the affirmative. But in fact what I've seen is much lower use of sunrise registrations that was probably than what was expected in the beginning of the program based upon a number of factors both the sheer number of new TLDs, the cost of annual registrations and many of them which is not a fixed cost as we've just seen with one - announcement from one major registry where, you know, it far exceeds what we've seen at legacy TLDs for many of them.

So it's kind of led to from what I've heard from my colleagues in the trademark world a general view of other than really important TLDs for our goods and service that we're just going to monitor and use UDRP or URS if we think there's been bad faith registration and use by a domain registrant but otherwise when - we haven't seen trademark owners registering their mark across hundreds of TLD's in a sunrise period for a variety of factors.

And also it would be somewhat difficult there are so many TLDs which are generic in nature .online, .XYZ, et cetera, et cetera. So for many of those it wouldn't even have any effect because they by their nature they'd have to be open to anyone who has registered their trademark for any class of goods and services. And then the others you'd have to have some vetting process

to say, "Oh you want to register in .shoe well is your trademark relevant to footwear clothing or is for something else?"

And then, you know, I can think of examples where, you know, I know my auto dealer they've got a trademark for automotive vehicles. But in the showroom they sell clothing with the mark and they have with the logo on the T-shirt or the jacket and they might want to protect their mark in clothing even though that's not their principal business. So I think you get into all kinds of technical difficulties with trying to if you're inclined to answer this question in the affirmative of where it wouldn't matter for all the generic TLDs and there would be lots of questions to answer for the verticals. Thank you.

Mary Wong: We have questions from Greg Shatan who is in the room and then George Kirikos is on the audio bridge.

Greg Shatan: Thanks, Greg Shatan for the record. First just want to note this is not a question about the trademark clearinghouse and so I'm not sure why it's in here at all. It's a question about sunrise and claims which should probably properly addressed when we're dealing with sunrise and claims and not with trademark clearinghouse itself. But since we're here and it's been put here I'll make a couple of remarks on it even though it's out of order.

The idea of TLDs that are related to the categories is a insanely nebulous concept unless we're talking about TLDs that are truly being restricted. If any - if there's a need to prove that you are in the footwear business to enter to register in .shoe or that you actually own a horse to be in .horse there might be a - some a small smidgen of validity to this concept but related too is just insanely broad.

You know, unless we're going to require and it's into and to as Phil remarked, you know, so many different technical problems and are we going to require that if you have registrations in 40 classes because you have a, you know, conglomerate type of business or very broad business that you register each

of those individually in the trademark clearinghouse and pay? That's another way to suck money out of trademark owners.

And so if we're not going to do that how are you going to figure out as, you know, Phil said whether there's, you know, who knows if Apple has a food related business and then Apple.food and .food is actually a .brand so it's not a particularly good example here but if Apple.food is it could be a legitimate one even if we are going by this related to test.

And how do we know what it's related to? What if I'm a footwear lawyer or an apparel lawyer can I register in .shoe in a sunrise if I have a trademark for my law firm? You know, you're in the – you do a lot of Internet law. You know, could you register your law firm's name in .web? If - even if it's only there for legal services in sunrise? Or would you have to define legal services related to the Internet in your class description? The class descriptions are written differently in different countries. There at least the ways that they're actually registered. The US tends to be very narrow. Other countries will allow for more of a laundry list.

The writing of descriptions of goods and services is stilted and arcane and does not, you know, match kind of the way people speak normal English language. It's an art form to draft a description. So there's, you know, so many different things going on here but the whole idea of going down this path, you know, it's not – I don't like to use slippery slope argument but this one isn't a slippery slope it's just an abyss. Thank you.

Philip Corwin: And I'd like to note Greg I always like to note when I agree with you when you mentioned .horse I was thinking well there's a very famous bootmaker in Texas called Lucchese boots. Now they might have a – they clearly have very legitimate reason if they want to register in .shoe. I don't think there's a .boot but why wouldn't they also have a legitimate reason to register in .horse since their market to a large extent they're cowboy boot. Cowboys ride horses and they market to people who operate ranches who buy their

footwear for working wear. So there's all kinds of reasons why a trademark owner might have a legitimate reason to register in a vertical TLD that's not exactly their goods and services but where they do want to protect their mark for other marketing reasons.

Kathy Kleiman: This is Kathy Kleiman taking off my co-chair hat and just saying again a devil's advocate a question was asked about generic terms earlier. And if the trademark clearinghouse were just limited to what we had talked about originally sunrise and trademark claims what you were saying would make more sense to me.

But again perhaps as devil's advocate it's now being used also in protective marks list and private protected marks list as something in the trademark clearinghouse database can now be blocked across hundreds of top-level domains. And in that case what is happening with the use of generic terms like Apple by people who are using it in a generic way? And it looks like Jon Nevett might want to be responding?

Jon Nevett: Yes. I just want to clarify that -- Jon Nevett for the record -- that a block is no different than a registration. It's essentially a registration by a different term. So if they are eligible for sunrise they are eligible to register their names in sunrise and therefore they're eligible to block during sunrise as well.

Greg Shatan: I'd also remark that Apple is not a generic term if you ask Apple. So let's not use the word generic term when - for things that it doesn't mean. Thanks.

Kathy Kleiman: For those who are listening this is an ongoing topic of discussion is what is a generic term. Thanks. An online question. Susan or...

Susan Payne: Well I was just going to - I was going to say what Greg said but I will build on it. I mean it isn't really an ongoing discussion. I think we've discussed it quite extensively. And I think we did agree within this working group that we would avoid using the term generic. I realize some people have been not on - in the

working group. But I think within the people who've have been participating in the working group I think we've all agreed that we should try to use the term descriptive because that's less loaded.

Kathy Kleiman: I think descriptive in dictionary, dictionary terms also. Thanks. We have an online question. Oh he's on the phone. Go ahead George.

George Kirikos: George Kirikos for the transcript. You know, one of the points that we made in the chat room is that while we need to stop mixing up the claims notice from the sunrise because they have obviously different effects and sorry I can hear an echo.

The - I think the main concern with the sunrise period is that you have to look at why the marks are being recorded. If it is for defensive purposes where somebody actually wants to defend their mark and not to resell the domain that they obtained in the sunrise period that's one thing like Apple or Yahoo or Verizon may register three or 400 sunrise domains in order to prevent future UDRPs or URSes. They're doing it to save future costs. And that's one possible scenario.

And so the concern there is I guess for the commonly used term that some people are calling generics but the ordinary words that have multiple potential uses that there's a potential overreach if we allow people to register them in any top-level domains because one of the purposes of the UT TLD programs was to, you know, expand choice and allow more users to have access to the so-called good domain names, you know, the ones that everybody wants, the short domains and the commonly used words especially, English dictionary words.

The second situation though the second scenario is when people register in the TMCH marks that are kind of marginal for speculative purposes and this we saw in the .eu roll out where people would register marks for say plectrums which are guitar picks in categories that are marginal. They did it

for, you know, common dictionary words like games and travel and finance. One of the examples was for AutoTrader where there was actually a dispute and they found that, you know, obviously that was an abuse of the process.

And one way to prevent that use I guess the word the is a common example that we've discussed. If that those speculative portals would probably be reduced if the domain name could be (unintelligible). So if you registered for example the word travel in some obscure country or some obscure mark but then use it to obtain travel .whatever a very valuable domain name which is far more valuable than the underlying trademark then to prevent abuse one could say that you can't later transfer that domain name unless you also transfer the underlying mark to that new domain holder. So that would, you know, prevent somebody from registering travel in, you know, 500 different TLDs and then reselling it 500 different times to 500 different users. Thanks.

Kathy Kleiman: George thank you for first being up in the middle of the night your time and for coming on to express what you're saying, not just typing it but coming on to talk -- appreciate it. One of the points I take from what you said -- this is Kathy Kleiman -- is the speculative or gaming aspects of the situation we're setting up with the trademark clearinghouse.

And I think George raises an interesting point. Is there anyone who wants to talk to that a little farther? Normally we set these systems up thinking that people will use them in good faith but when they don't that's, you know, we have to factor that in as well. Given that we've seen some of the uses, we've seen some of the abuses is there something that could come in on this question for that issue or as Greg Shatan pointed out is it something we should be talking about more when we get to the sunrise and the trademark claims and other uses? Greg I understand you have your hand up.

Greg Shatan: Thanks, Greg Shatan for the record. Just briefly I think it, you know, it would be an interesting discussion to figure out how to limit speculative and gaming aspects but we shouldn't limit it to the trademark clearinghouse or the

sunrise. Maybe we should limit it to the DNS or we should look at it in the DNS generally and think about how beyond the UDRP and other things we might eliminate the speculative and gaming aspect of domain name ownership.

As I, you know, some people might think that that is an inappropriate use of the DNS generally. So we can open that up for discussion. I'm glad that it was brought up. I wasn't intending to bring it up but now that it's on the table I thought we should put it on our radar as, you know, for RPMs is that's, you know, generally it's an interesting aspect of the DNS is that, you know, if people can kind of claim empty parking spaces and then charge if you want to park in them. You know, that kind of works in your sporting events at least in Boston with chairs but I'm not sure if it's a great, you know, model for the free and open Internet. Thanks.

Philip Corwin: I will just say Greg in a personal capacity that if you think that's a issue ICANN can - should pursue you can ask for a issues report from staff and start a new PDP on that. But that's outside the proving of this working group. Thank goodness we've got enough on our plate.

Greg Shatan: It may not be outside the remit of the working group. We'll look at that later if we want to.

Jon Nevett: Kathy?

Kathy Kleiman: Oh, John go ahead.

Jon Nevett: Thanks Jon Nevett. Real briefly we should maybe discuss that very issue Kathy that you raised about the gaming part of the clearinghouse when we're talking about the transparency and openness of the clearinghouse itself because the more transparent it is the less likely there will be gaming. And those of us who could deal - do with it and deal with it rather would be would have more transparency to see those names and to take action.

Kathy Kleiman: Well that because sometimes it's hard to circle back. Do you want to – there's a lot embedded in what you just said. Do you want to kind of unwrap that a little bit since we are talking about gaming and speculation right now?

Jon Nevett: Sure. Just, you know, registries could take certain actions that could circumvent some of the gaming and having transparency to seeing what is in the clearinghouse and, you know, knowing what names as opposed to backing into that would help us in that endeavor.

Kathy Kleiman: Terrific. Well I've made a note that we should look at that also later on. Thank you. So unless anyone has anything absolutely burning on Question 11 I think we've discussed this and appreciate the robustness and - of the discussion and we should move on to Question 12. Any objections? Any further comments on 11?

And I'd like the suggestion that we'll also be revisiting 11 as we go on to the applications of the rights protection mechanism and look at the openness of the clearinghouse itself. Okay question 12. So I'll read it and it will be up on the screen shortly. This is by the way we're moving on to the next table Category 4 costs and other fundamental features. This is as the title says this is under the title remaining TMCH charter questions matched with documentation from the Applicant Guidebook and other materials developed for the 2012 new gTLD program Categories 4, 5 and 6.

So Category 4 as those of you who have been with our program for so many weeks know is cost and other fundamental features. So Number 12 is are there concerns about operational considerations such as cost, reliability, global reach, service diversity, and consistency due to the trademark clearinghouse database being provided by a single provider?

If so how may they be addressed? I don't think I need to preface this too much because I know there are people who want to jump into this discussion.

But the issue of the single provider for the trademark clearinghouse there are actually two single providers, a single kind of front end provider is Deloitte for the verification marks and putting them into the clearinghouse. And then a single user interface thing with the registrars and that is IBF. So would anybody like to talk about the single provider issue? We have (Kirk Prince) and then George Kirikos in the remote participation.

(Kirk Prince): Thanks. This is (Kirk Prince). So I think in discussing single provider we're put in the cart in front of the horse a little bit that what we care about is matters of policy are, you know, is price the most important feature? Is reliability is the most important feature? Is diversity the most important feature? And then as a matter of policy we tell ICANN these are the things that are important to us and you go implement it.

I know as an implementer in my former life in ICANN and before that there's a lot of ways to skin that cat. Somewhere you get - sometimes you get the best price by negotiating hard with a single provider, sometimes you go out for multiple bids. You really want to give the implementer some freedom to implement the policy in a way that they can most effectively do that. So I think our goal here is to tell ICANN look it we think this could be done more cheaply. You know, look at the cost across the board and what are the opportunities for getting cost down?

We think, you know, reliability is most important so you need to pay attention to that or consistency and then, you know, and then we could provide some implementation guidance to ICANN. But it's I think it's really up to the implementer whether there's a single provider or not. And so I think we should focus more on the policy outcome that we want rather than how it's effectuated.

Kathy Kleiman: Thank you. George.

George Kirikos: George Kirikos for the...

Kathy Kleiman: George come on in.

George Kirikos: George Kirikos speaking for the transcript. Yes I definitely agree that there should be either multiple providers which would either - which would lower cost through competition or alternatively there should be a single provider via a tender process. And actually the tender process should be regular say every three years, every five years. So there would be a given set of standards for the provider to meet and whoever bids the lowest for the contract would get the contract.

We saw for example what the dangers are when you have a single provider with the unit registry will raise prices for domain names of by 3000% recently or they announced it for six months from now. So you don't want that to happen when you have a sole provider of the services like we do now. Thank you.

Philip Corwin: George this is Phil Corwin. I want to play devil's advocate a bit here it seems to me I know there's a theory out there that if there was more than one provider of clearinghouse services there might be resulting competition that would lower the cost to trademark owners. And I'm open to that argument if people can provide some economic proof of it.

But it seems to me that because the clearinghouse is just a database that is the basis for the actual rights protections of the sunrise registration and the claims notice there has to be – there can't be multiple database. It had to be a single unified database. And it's kind of to me my mind it's kind of like a natural monopoly just like every registry, every TLD is a natural monopoly. There can only be one registry operator because you can't break it up.

So I'm not convinced given that there's going to have to be some party maintaining a single unified database. What we'd really be talking about is separate parties that would verify the marks that went into the base. And I

guess theoretically the competition could lower prices but on the other hand there might be an argument that, that just makes the whole system more inefficient, would result in potentially higher prices. There are no significant discount.

So the jury's out in my mind but I think we need to differentiate between the database which must be a single unified database and the verification functions which I guess could be performed by more than one party. But I haven't yet seen a solid economic case that would that there's a high probability that would result in lower cost to trademark owners if we can reach lower costs and thereby encourage save them money and encourage greater use of the clearinghouse service that would be worth looking at in my mind.

But I think we need to get beyond just a simple theory that oh, more competition equals lower prices and get into really a more sophisticated analysis of whether there's anything to that argument? And those are all personal views but I'll be glad for any response from you or anybody else in the room.

George Kirikos: George Kirikos.

Philip Corwin: Go ahead George.

George Kirikos: Yes I did want to respond. You raised the technical issue of whether it's a natural monopoly and I disagreed that as long as there's a master list of the providers then there's no technical reason why there can't be more than one of them just like there are for, you know, for domain names themselves. You know, you could have multiple registry providers as long as you have one master list of all of the registries, i.e., ICANN.

From a technical point of view the registrar would simply loop through the list of TMCH providers and go through them one by one just like they do when they're checking for domain names today. They search through multiple TLDs

for a given string so technically it's not a problem. Economically, you know, you'd definitely get more - you could definitely get lower prices when you have more competition or you get competition in terms of level of quality of the services. So I think having that greater choice would definitely help the trademark holders and obviously I'm not necessarily on the trademark holder's site on this issue but generally speaking, you know, we want lower prices. And so from an economic point of view it definitely would make sense. If you're not going to have multiple providers then the only other option is to have the regular tender process so that you don't get locked into one provider forever. So you would have the regular tender process and give it, you know, award the contract to whoever's willing to do it at the lowest possible price. Thank you.

Philip Corwin: Yes I'm going to quickly respond and then we have a number of people who want to speak. I agree on the claims notice if there were multiple providers in kind of a fracture database of course each provider could generate a claims notice that – but what you're suggesting is that each registry when they get a request for a sunrise or if they're offering a protected marks list service that instead of checking a single unified list they'd have to check against multiple separate lists provided by different providers of clearinghouse services. To me that seems less efficient and perhaps more costly as a result at the registry level. But I'll stop there and we have a number of people who want to speak. Kristine Dorrain.

Kristine Dorrain: Thanks, Kristine Dorrain for the record. I just had a question because I keep coming back to this every, you know, time we have a call. I'd be interested especially since there's so many people in the room about data. You know, what are the concerns? People keep coming back to cost. I mean is cost a deciding factor? Is this why trademark clearinghouse participants aren't using the trademark clearinghouse?

But there's other factors that we've listed, reliability. Where are the - I want to hear where are the complaints? Tell us about as a working group tell us

about where the reliability issues are? Tell us about the, you know, diversity issues? And we got some information from Deloitte on that.

But we can't really fix the problem kind of to (Kirk)'s point unless we sort of know where the problems exist. And then we keep coming back to cost but I haven't really heard any complaints about cost. So I would really encourage people since there's so many people in the room if you have a perspective or an experience with the trademark clearinghouse that you think should factor into this particular charter question to please come to the mic and share it so that the working group doesn't pass it by because the only way we're going to know about community concerns is if you take the time to bring it up. Thanks.

Philip Corwin: Thank you Christine. And yes I'd like following-up on your question I'd like to hear let's say theoretically if there are multiple providers the annual cost of a clearinghouse registration dropped from \$150 which is what it is now to \$100. Would that significantly increase total registrations across all the multiple clearinghouses or would it stay about the same? I'd like to see at least some anecdotal thoughts or evidence on that. But excuse me?

Woman: (Unintelligible).

Maxim Alzoba: Thanks Maxim Alzoba. Just note about the potential...

Philip Corwin: Yes.

Maxim Alzoba: ...yes, if we hypothetically talk about multiple databases that the – it's not just trademark. It's also flags like verified, unverified, good (unintelligible) rights, get expired and things like that. And these information they cost money because to pass verification you have to call someone to pay someone to do this work and I'm not sure that it's going to be shared.

So we will have to be aware that it might rise in need of technical review of those issues like you have multiple databases. You have to synchronize for

example your operator verified trademark A will be good for sunrise and my operator verify trademark B. In some parts of IT business it's resolved via multiple grievances that we respect the verifications. In some parts of business they because of high competition they do not like each other so they do not share. So we will have to be aware that it's not just magic. We grade focus. We will have to resolve technical and business-wise issues before yes implementing things. And it might take significant time because here we talk about legal aspects and we will have to talk about operational aspects and unfortunately technical. So just side notice. Thank you.

Philip Corwin: Yes thanks. That's a very useful comment. Just so everyone knows our next speaker is going to be Greg Shatan then Michael Fleming then the gentleman at the microphone. So Greg go ahead.

Greg Shatan: Thanks, Greg Shatan, a couple different points. First the idea of fracturing the database seems to fly in the face of the very idea of the trademark clearinghouse in the first place which was to create a centralized database with and ultimately consistency of things like verification and the like and that to create multiple fracture databases whatever, you know, automation you might solve to deal with this and which assumes that they're all up and running simultaneously and all sorts of good things it just seems to me that we're basically, you know, taking away the first principle of the trademark clearinghouse by creating multiple trademark clearinghouses, you know, which would be in some sort of competition. And competition could also breed other things like well if I want to gain some market share I'll be an easier verifier or I will, you know, offer both discounts or the like or I won't verify at all.

I mean we have certainly, you know, issues with TLDs where there are loose standards. So I think that having multiple domain or TMCH operators, you know, I think, you know, leads us into a cavalcade of problems. And no matter how hard you try that there's always going to be inconsistencies even in a good faith exercise.

If you go to a model with a single database and multiple providers of the output kind of like registries and registrars the downstream provider's prices are going to be limited by whatever price the data holder charges just like, you know, you're not going to sell a domain name at a loss if you're a registrar. I assume you're not. So, you know, the prices are going to be constrained by that. So people are just going to have to decide what their profit margins are. It's not going to be that big a difference.

But I think in terms of the idea of, you know, the tender and all of that there are some costs in developing the trademark clearinghouse the first time. And my understanding is that the registration figures have been disappointing in terms of the projections that were made when all of this was just a gleam in our collective mind's eye and that those sun costs may or may not have been recouped at all and that if you're going to essentially turn that over to some other provider they would have to make the first provider whole in terms of those sun costs.

And then the third provider downstream would – might be required to make the second provider whole with what they pay the first provider. So, you know, we're not talking about a cost-free franchise to operate the trademark clearinghouse. There is a cost here. And so I think there's – we're getting into all sorts of economic and business issues and at best most of us in this room are amateur economists. There probably are a few who can make some real claims.

But, you know, if we could I think if we could look at all of this, you know, we'd be creating we need a whole separate working group just for transferring the trademark clearinghouse bases on the trademark clearinghouse on a fair basis. And just to respond last to (Christine) I certainly have clients, you know, with large trademark portfolios who are very selective about the trademarks they put in the clearinghouse because of the cost.

You know, they may have 1000 trademarks. They may have 100 trademarks but have them registered in 20 classes. And if we, you know, whether, you know, if you look at any of the class issues whether we get into a more class-based system or even at the present time you might have to register each of those to get, you know, full protection for instance if a claims notice comes and the person wants to see what your registration is they see is not in their class they'll – they may go ahead but what if you also have a registration that is in their class?

But you didn't put that one in because you didn't want to spend another 150 bucks. Now 150 bucks is fine except if you've got 1000 marks that's 150,000 bucks. And then you've got that every year. And the other half of this is that, you know, the question of what is the value which goes to in essence what is the value of the new gTLD program to brand owners versus the cost? And the general kind of - and is the value more than nuisance value for many of them? So this is basically, you know, like for many trademark owners how much are you going to pay basically just to protect your rights and to kind of be whipped on a regular basis? It's not like you're buying, you know, sometimes you are in fact buying a right that you really wanted but other times you're just being basically extorted not to use too strong of word of course, of that of your money.

And, you know, the - there's so many different ways you can pay but if the overall gTLD space, new gTLD space is not a particularly vibrant place then you're also going to say that's not really worth the money to put this - all of these marks in the TMCH. So but definitely the costs are such that most clients are very selective in terms of what they put in. Thanks.

Philip Corwin: Thank you Greg for that veritable banquet of food for thought. I'm going to announce now after the two speakers that I noted previously we're going to break for lunch. I'm going to ask - there's plenty of food for anyone, everyone. I'm going to ask the audience to let the members of the working group go and take lunch first and then they'll be plenty left for those in the audience. So it's

Michael Flemming then the gentleman at the mic and then we're going to break for lunch. And then we'll resume this conversation post-lunch.

Michael Flemming: Sorry this is kind of high. So I can see upwards. But just for a question of clarity are we – when we talk about the TMCH database...

Philip Corwin: Could you say your name for the record?

Michael Flemming: Oh, I'm sorry Michael Flemming. My name is yes, Michael Fleming for the record. But just for a question of clarity when we talk about the TMCH database to me the first thing that comes to my mind is the technical backend when we're looking at that. But from the discussion that's already been had I think it – there's a sense of clarity that there are two providers in this but in that aspect when we talk about whether or not there should be multiple providers I think that perhaps from what I've heard so far there could be a consensus that keeping one centralized database back in per se is what it would be necessary because when we look at this it to me it's kind of like a multiple registry or multiple registrar for the same TLD. You wouldn't have the same - you wouldn't have multiple registries for one TLD. You'd keep one technical registry for one TLD and then have multiple registrars to authenticate that, authenticate those domain names. I think it's similar in that aspect when you look at the TMCH. You have one back end and then you could possibly have multiple validators in that aspect.

And then just to respond to Greg's ask one thing that - I'm sorry one thing that Greg said on the cost if we really want to look at whether or not these costs could potentially be less if we introduce new providers I think we need to look at how those costs are allocated now. For example does the validator – does the validating side of the TMCH now pay the backend a certain amount depending on how many trademarks are submitted? I think that we can see this for registry - looking at this in a similar registry aspect for the registry agreement we can see where how the - sorry registry will pay ICANN

and but in a different aspect we don't know how those costs are built up or how those costs are carried out with the TMCH.

Therefore whether or not to assess a – there could be a cheaper cost I think we would probably want to have that kind of information moving forward in order to know whether or not it could be cheaper if we have multiple providers. Thank you.

Philip Corwin: Thank you. And our last speaker before the lunch?

Jan Corstens: Jan Corstens, of Deloitte. So I don't really have a question, more of a bit of an advisor remark. I hear us talking about a lot of kind of options with multiple validators. It obviously as an auditor we are already used to that. As you know in financial audit many regulars have defined that the books and records of a company by obligation needs to be audited by multiple parties. That legislation exists for instance in France.

I just want to add to that that is a very complex environment which requires definitely the necessary regulation on how you organize such a thing. And my advice is to look into existing regulation that exists from that and find examples on how you do that. I mean you can just imagine that if validated a - is validating – giving negative advice on trademark X and trademark X goes to validator B and he gets a positive advice there how do you deal with that? So how do you for instance organize consistency between validators? And I think the community definitely needs to create proper policy on how to organize that if you want to go for a multiple validated system. That's my advice.

Kathy Kleiman: I'm glad you were here for this and provided a response. Thank you. Circling back to what Kristine Dorrain said, you know, and also thinking back to a rule of thumb when we were doing the PDD RP the Post Delegation Dispute Resolution Policy is there a problem? Is there a cavalcade of problems to use

Greg's phrase? Before we come up with solutions I would suggest is there a problem that needs to be solved?

So something to contemplate over lunch as well as all of the other wonderful questions we'll be dealing with this afternoon. Our break will be half an hour. We'll be coming back at 12:45. And we invite the working group and also you - everyone's who observing to join us for lunch but the working group first please which Phil urged me to remind everyone. And, you know, please solve everything over lunch. Thank you.

Philip Corwin: Welcome back, the fun's about to begin again. We're going to resume. Our closing time is 1:45 so we've got 45 minutes left. We're going to try to get through Question 12 and many one other question. And then we're going to turn in the last five minutes of the meeting to looking at our schedule, the projected work schedule for this group in looking at what's ahead in the next few weeks and how we stay on schedule.

And closing out the last discussion a personal observation by this co-chair I have not heard throughout our discussion of the trademark clearinghouse any significant criticism of the quality of the work that it's doing about - and any significant operational issues. If we've missed that somehow and people have real concerns and think they're not working right let us know but I haven't heard that yet.

On this question of multiple providers there is that simple theory out there that more providers would provide more competition would lower prices. I think we've heard today that if we go to multiple providers there are legal and technical and business issues that must be considered to make that work if that's the right way. But I think the decision would be premised on cost reduction. So I would say that the trademark attorneys and trademark owners in the room if it's your belief that more than one provider would provide significant cost savings that would encourage greater use to obtain the benefit for the clearinghouse I think kind of the burden's on you to make that

case. If we don't hear the trademark community making a strong case in that regard we're probably not going to recommend going beyond a single provider.

So I'm not saying it shouldn't happen I'm saying we haven't heard any strong concerns about the actual operation of the clearinghouse. And if people think there should be more than one provider we need to have the case made for why we should go in that direction toward a recommendation on that otherwise I haven't heard, this co-chair hasn't heard a convincing case made for going on multiple providers as of this date.

And I don't know if my co-chair has anything to add on that subject? She does not. So let's get into the next question, Question 12.

Kathy Kleiman: Actually moving on to Question 13 and we're only going to touch on Question 13 briefly. Amr could you move forward on that plays? Oh actually we're going to read it and then skip it but I just wanted to let you know what we're skipping. So this is 13. It's a very important question. We're not skipping it because it's not important. Are the costs and benefits of the TMCH reasonably proportionate amongst right holders, registries, registrars, registrants and other members of the community in ICANN?

The co-chairs have made an executive decision that we're going to lump this with question 16, our very last question in the Category 6 of balance. And that it would be a more appropriate there when we look at the overall balance of the trademark clearinghouse system. So if there's any objection to that please let us know otherwise we'll move on to Question 14 which seems to be more in keeping with the types of question with the conversation of Question 12. So Amr could we move on to 14 please hearing no objection?

Okay. Question 14 is how accessible is the trademark clearinghouse database and rights protection mechanism right protection actions and defenses to individuals, organizations and rights holders semi-colon, as well

as trademark agents in developing countries? And there's a footnote to the word accessible that this word is used in the sense of asking whether the trademark clearinghouse its existence, purposes, and how it is used is known to the types of stakeholders mentioned?

So this is clearly a condensation of several or a consolidation of several questions that were in the charter. So how accessible are the actions and defenses involved with the trademark clearinghouse as well as how accessible is it to trademark agents? Once more of a policy question once more, a business question but both of these have been combined into the accessibility. And one of the issues here, just one of them is the access of the trademark clearinghouse to - and let me flip back to my questions, to challenges by third parties. This is the preceding I understand has not been used yet but it is - that this is part of the rules and is part of our question to the trademark clearinghouse so accessibility of the trademark clearinghouse to challenges.

And so I wanted to ask I believe Deloitte is still in the room and they know that I'll be asking this question if they could tell us a little bit about third-party challenges to the clearinghouse to marks in the clearinghouse and how this is handled so that we know it for going forward and for this question?

Jan Corstens: Jan Corstens Deloitte and thank you (unintelligible). So from day one there has - and that was a requirement. There has been a dispute process in place which as rightfully stated has been used mainly by the people that were already working with the trademark clearinghouse and not so much third parties. That process can be explained by Vicky I think yes.

Vicky Folens: And so a trademark holder who does not agree with how we verify can actually dispute that to the clearinghouse and provide the reasoning thereof. But also a third-party can dispute a trademark record that is in the clearinghouse based on - that we did not do a correct verification. The

question that could be stipulated is how do - how does a third-party receive this information if the trademark clearinghouse is not publicly accessible?

It's because of they get that information from the trademark claims notification that that moment that a third party gets a - receives a trademark claims notification and for example goes to the trademark office and sees that the trademark is for example no longer valid in the trademark office he could then provide that information to us and we would then take that into account.

Kathy Kleiman: Terrific, thank you. And was I correct in saying this hasn't been used yet, the third-party challenge?

Vicky Folens: That is correct.

Kathy Kleiman: Okay. Okay does anyone have any questions just about the challenges to the trademark clearinghouse that would go to Deloitte? Okay thank you. So back to the question how accessible is the trademark clearinghouse database and the rights protection actions and defenses to individuals, organizations, and rights holders? Or people can speak to how accessible is it to trademark agents in developing countries? Is there anyone who would like to comment or talk about this?

Philip Corwin: I see his hand.

Kathy Kleiman: Go ahead.

Man: Kathy there are a couple of hands up in the Adobe Connect room.

Philip Corwin: We've got some hands up in the chat room. First is Greg Shatan. Old hand then please take it down Greg. And George Kirikos is that an old hand or a current hand?

George Kirikos: George Kirikos. It's a new hand. I'm not a trademark holder or well not trademark agent but I notice that in the Deloitte statistics there are only 605 marks for all of China which is actually less than that of say a smaller country like Canada or Australia. So perhaps one might be able to infer from those statistics that the access isn't equal for Chinese registrants than it is for those in the West. For the United States for example there are 11,230 marks. This is on the Page 5. Well there's two different tables but I'm looking at the one on Page 5, 5 or 6. It's the long table so it's multiple pages. Thanks.

Philip Corwin: Thank you George. Phil for the record. I would just observe that, you know, a low number of registrations from a significant large country with many trademark owners like China might be indicative of difficulty of access or might be indicative of less interest in using the clearinghouse for some reason. So I don't know that we make a firm conclusion that it's an access issue just based on the number of uses from a particular country. And now Greg has a new hand up.

Greg Shatan: I have a new hand. I think the reason for that the Chinese difference may be the fact that you can't register Chinese character domains in most top-level domains. So there's going to be less application, you know, just in the IDN, in the Chinese language IDNs where there'd be applications. So that probably has a lot to do with the low penetration of Chinese trademarks into the database rather than any other more far-fetched thought because there's, you know, certainly equal access I would assume. And if there isn't then somebody – anybody can become an agent for the TMCH not too difficult. And there's a market of a billion people waiting for you so have fun.

Philip Corwin: Thank you Greg. Any other comments or questions in regard to Question 14? If not we can move on. I don't see anyone hands up or at the mic and I don't see anyone in the chat room so let's move to the next question.

Kathy Kleiman: Question 15, what concerns are being raised about the trademark clearinghouse database being confidential? What are the reasons for

having/keeping the trademark clearinghouse database private and should the trademark clearinghouse database remain confidential or become open? This is certainly a topic of discussion. We been mentioning it for some time in the working group. I just wanted to note that it's interesting that the FTI recommendations, those the rules approved by the GNSO Council and the board did not have a recommendation of confidentiality for the database.

And similarly the Applicant Guidebook doesn't seem to anticipate that as well. This appears to be something that was introduced during the implementation stage of the development. And there is a discussion of this in the fourth column of the table that we're looking at about minimizing abuse of the trademark clearinghouse data.

And so I was wondering if someone wanted to speak to, you know, maybe someone on both sides, someone wanted to speak to the relevance of or the importance of keeping this information confidential and someone wanted to speak to the relevance of opening it up? George go ahead please.

George Kirikos: George Kirikos for the transcript. Since nobody else seems to want to step up I'll go first. I'll echo the concerns that the EFE raised that the database should indeed be public. Right now it seems that they're only considering the privacy interests of the trademark holders who want to keep secret registrations. But that should be outweighed by the interest of the public in ensuring that it's a database that is accurate and that the proof of uses are accurate. And that can only be measured by actually seeing all the marks and being able to assess them independently. So that's my concern and that echoes the concerns of the EFS I think. Thank you.

Kathy Kleiman: Thank you George. I actually have the text in front of me of the trademark scholars letter that EFS sent today to the working group today or last night. And so let me just read. Our second concern is with the secrecy of the trademark clearinghouse database. Given that the trademark clearinghouse is exercising its quasi-public function we believe the public should be able to

search its database just as the public is able to search the US PTO the US Patent and Trademark Office database for trademarks. Trademark registries have always been open to public searches limited only by physical access. In the digital age the concealment of these records is a momentous and unjustified retreat from transparency. So that is – I knew that would kick off a discussion. Susan go ahead please.

Susan Payne: Thank you, Susan Payne for the record. Obviously the trademark records themselves are not being kept secret. They're completely transparent. Nothing has changed. The marks are in the trademark office databases. So to the extent that the trademark office is in question our agents are searching and can be visibly can be viewed then the trademark records are still viewable.

What is not being viewed and I would argue shouldn't be is the decision-making process that a brand owner has taken in determining which of its marks it's decided to put in the trademark clearinghouse. And it's a kind of commercial call and a decision about how to spend budget and where I - if I'm a brand owner where I have the capacity to spend my budget. And I think that's really quite a - it's quite confidential commercially sensitive decision.

And I do recognize that you can sort of somewhat reverse engineer even if you're not being nefarious. You can look at what sunrise registrations a brand owner has bought and kind of work out well obviously they got a sunrise registration so they clearly have a mark in the trademark clearinghouse. But is - if that's a very different exercise so to having the ability to just go in and view every single mark that every single person or every single brand owner has chosen to protect in one fell swoop and thereby determine which ones are unprotected and are fair game and I think it's unacceptable to be giving a kind of charter for cybersquatting.

Philip Corwin: Let me – I want to ask a follow-up question Susan. Phil for the record. You said the ones they - let's take a big corporation, Microsoft. Microsoft has lots

of trademarks. They've made a decision whatever it's been. They're not going to register all their trademarks in the clearinghouse and they're not - and the ones they've registered they may or may not take advantage of sunrise registration for some of them if not all of them. And they may just want the claims notices on the other one.

But the other ones aren't - the ones they've chose not to register, not really unprotected. They're still protected by trademark law and by the UDRP and URS in the new gTLDs. There are protections. And I really - I'm just (resin) on the question that yet for the amateur bad person it's a barrier. But for any sophisticated criminal organization, phishing group -- whatever -- that wants to target a particular corporation it's not a - they can simply take - they can easily find out in any major jurisdiction they look into public database, they find out okay what is Microsoft registered in the United States? They're based in Seattle.

They get a list of trademarks. They pick out the ones they might be interested in doing targeting bad acts at. Any new TLD opens they start registering each and every one of those. And from the ones that generate claims notices said okay they're in a database. The ones that don't they said those are the ones that aren't and that they - they're not unprotected but they're less - they're not entitled to sunrise registration or a claims notice.

But Microsoft probably like many corporations subscribes to private notice firms that monitor domain registrations and let them know when any of their marks have been registered. So I'm just - I understand the rationale but given the general bias towards transparency and that the marks are coming out of public databases in the first place I'm still struggling of whether this is - whether the confidentiality concerns outweigh the general bias through transparency in ICANN operations?

And I see my colleague Susan Kawaguchi raising her hand. I don't want to - well we've got Petter Rindforth and Greg Shatan and then we'll take Susan.

So Petter, and then Greg and then Susan. I haven't made up my mind on this question. I'm just really trying to ask questions so I understand it better the pluses and minuses. Thank you.

Petter Rindforth: Thanks, Petter Rindforth, IPC. I have to admit that initially I was also fully supportive of a totally open system. But having discussed this particularly with some trademark owners that declared for me that the differences between the normal official trademark databases of course you can go in everywhere around the world and check out what's new, new applications and see the economic and marketing newsletters and make your own conclusions on what's specifically going on, what specifically is important for that company.

But it's still a lot of extra work. Keeping the trademark clearinghouse fully open it makes so easy for each of the bad guys so to speak to check especially for companies that have hundreds of trademarks and maybe just have registered a few of them with the trademark clearinghouse.

You can easily come to the conclusion that these trademarks are on specifically importance for that company. And also we have to have in mind the limitations of the trademark clearinghouse. I mean you can see from the list, an official list and make your own conclusions what kind of small differences you can make in a domain name. And you can clearly go around without having that listed in the trademark clearinghouse. I feel that I can understand there's companies that still want the list to must be open, fully open because it's so easy to use it in a bad way.

Philip Corwin: Thank you Petter. Greg?

Greg Shatan: Thanks, Greg Shatan for the record. And just briefly first I would note that while the letter seems to have been self-titled the trademark scholar's letter that the - in fact a number of the signatories are not trademark scholars or even trademark lawyers or lawyers at all. So it's a - I guess they had trouble

filling out the roster. But in any case, you know, the letter goes into absolutely no analysis of the pros and cons as we need to do but only decides to traffic in words like secrecy and concealment and other sorts of inflammatory but not particularly analytical stuff so since we're in a family context here.

And so, you know, I think that while we obviously have to consider these issues, you know, this, you know, BFF shot across the bow, you know, is where they've gotten, you know, a bunch of signatories I think is one that we have to handle with care as a resource for anything other than sheer advocacy, you know, and then - and the cover note some might call it an article they put on top of it on their blog I think, you know, is just more of the same with even less of a veneer of civility attached to it.

So it's just basically a bunch of attack dogs that have been set loose. So I don't intend to find that very convincing although I do find it a bit frightening. So I'll, you know, look forward to discussing these issues. And I know that some of the signatories are members of the group so I look forward to working with them in the more appropriate give and take of our atmosphere here. Thank you.

Philip Corwin: Susan?

Susan Kawaguchi: Susan Kawaguchi for the record. I represent Facebook. I would agree with Susan Payne. I think, you know, if you want to know what trademarks Facebook owns then just - you could look those up in many jurisdictions maybe all. I never verified that. But I do think that the strategy and the decision-making that goes into taking the specific trademarks for a company like Facebook that's only online are - it's very critical. And we face a large problem of infringement which is really aimed at separating our users from their money in the most - for the most part is it's critical to a company to manage and strategize for a domain name portfolio. You know, we probably not even 95% of our trademark registrations did we use in the TMCH but those that we did were critical to the strategy we have in place for protecting

the trademark and registering the domain names and to, you know, have somebody just look that up really quickly and go oh, we see what Facebook feels is the most critical in the domain name space and have a short list which then they can go say for example if Facebook Mobile was on that in the TMCH and then they just register Facebook Mobile with a zero and.com or well obviously new gTLDs not .com. but .whatever.

Then, you know, it just it's so like a cheat sheet primer for some out there that they only exist to abuse famous trademarks. So I would be - I'd have - to and I haven't followed this completely this group completely just because of other responsibilities at ICANN but I'd have to have someone articulate a really good reason. I just don't understand that if you can go out and figure out what our trademarks are why do you need our strategy that's in the TMCH?

Philip Corwin: Okay thanks Susan. And Kathy wanted to speak and that I want to make a short comment after. Kathy and others who want to speak should raise their hands or come to the mic.

Kathy Kleiman: So Kathy Kleiman. And here not responding in to my co-chair capacity but personal capacity because as Greg said we should have this discussions so because I come from a user group, noncommercial stakeholder group and we represent registrants. So let me say hypothetically isn't that exactly what you want for the deterrence that the trademark clearinghouse don't you want people to know exactly what you flagged as critical to your online presence because that's what we're going to stay away from?

So if I'm searching for, you know, I'm a lawyer in my personal life if I'm searching for a new company name, a new product name, a new service name, a new noncommercial organization name I go out to the trademark databases. I go – I search online. I see what's available in terms of domain names. And none of this may hit a flag because I may be in a different category of goods and services. I may be in so the trademark, you know, I'll probably be able to get the trademark, let's say hypothetically able to get the

trademark and the trademark in whatever country I'm in in the trademark database.

And, you know, I see the domain names available. So it's not till very late in my search that I'm going to hit a trademark claims notice versus as a searching agent for a client I'd really like to know what's in the clearinghouse because I'm going to avoid it. So I, you know, for the good faith actors in the world -- and I've got to believe the vast majority of registrants are the good faith actors -- don't you want that to turn the fact of making it public and then people are going to steer far away from it probably versus the bad space actors who may, especially very sophisticated ones may be out there, you know, logging trademark claims notices any - there may be ways around it. So let me just throw that out so that we have a kind of balance in the discussion. Thanks. Over to Phil.

Philip Corwin: Susan did you want to respond to that at all before I speak?

Susan Kawaguchi: If you don't mind. So I'm just not following how critical the TMCH database could be to trademark clearance and creating a new brand. I mean if you're going to, you know, you're going to look in any - whatever jurisdiction you're at least initially starting your business in and you're going to see those you're going to get a lot more information on depth and breadth of protection from the trademark for the trademark in for example the USPTO database than you'd ever get in the in the TMCH.

Like I said, you know, we probably didn't even use 5% of our trademark registrations. I mean it's probably more like one I'd have to go through. I mean that changes on a daily basis for Facebook but, you know, the amount of applications filed but so I just don't I think that need that you've articulated which is interesting but I think that there's is a way to do that right now which is much more usable in the traditional sense than if - than the strategy and the information that's going to be provided for what I would claim is much more sort of bad use of domain name registrations.

I mean last year alone we had 60,000 Facebook domain names registered in this world -- 60,000. We only have 8500 domain names for our full portfolio. Sixty-thousand domains were registered. We probably registered 1000 of those. So where's -- or even let's say I registered 5000 last year just to be overly cautious on numbers. You know, where are those other 55,000? Those aren't companies. Those aren't responsible companies, you know, trying to figure out a new brand. That's 55,000 domain names in all, you know, ccTLDs all that we could detect that were registered probably for, you know, a good percentage in the various uses. A few, you know, a good -- a smaller percentage that our people just don't understand you can't use Facebook whatever. And that's just one brand. That's one of our brands 60,000.

So -- and we only enforce against all of the ones that actually are live and in use. But, you know, there's a lot of people with portfolios full of my trademarks. So and then to hand them a strategy of these are the ones I consider the most important to our company and for a lot of internal reasons that may not be available and understandable to the public yet it's just it -- I'm not arguing against it completely but give me some really valid reasons why it should be completely transparent when all of those trademark registrations are available publicly?

Philip Corwin: Greg we note your hand. I'm going to make a quick statement and then we'll get to you. I want to know - I heard and both could be correct. I heard Susan expressing concern that if the database was public bad actors could identify the ones that were in the clearinghouse and were less protected and target those. I heard you expressing concern that it - by - it would - they would be more likely to target the ones that were in the clearinghouse there were regarded as of greater value by your account. I guess both could be true depending on...

Susan Kawaguchi: Types of the ones that I considered.

Philip Corwin: Yes, right. I've observed that if I want to be a typo squatter I don't need to look at the clearinghouse. I just go after the Facebook trademarks I want to typo squat on and register those and see what I can get away with. I want to raise two other issues. I think George Kirikos at one point earlier in this conversation and maybe Jon Nevett said something -- I don't want to pull him into this if he didn't -- but they're observation there is some gaming in the system of people obtaining trademarks on things like the word of the and that if the database was more transparent we could identify and possibly do something about that type of gaming.

And then I heard the people from the clearinghouse when they were speaking saying there might be a halfway point where you could make the database more accessible to certain trusted priorities like trademark attorneys, trademark agents -- things like that but not the entire general public that there might be a halfway point. So I just wanted to raise those two issues and see if anyone had comments on whether the lack of transparency makes it more difficult to identify gaming of the clearinghouse and whether there could be some greater openness of the database without full exposure to the general public? I see -- I'm going to let Susan respond then we'll get to Greg. He's had his hand up. Go ahead Susan.

Susan Payne: Yes oh how to respond? I suppose I mean yes, I mean there's been -- we all keep talking about this one example because it's the only one anyone has been slighting, you know, the, T-H-E. It's able to be a valid trademark but it's quite clear from the context that the person who registered that and has then use it to get some (resin) does to appear to have been doing so to gain some advantage in getting sunrise names first.

But there's one example of amongst all of the marks that are in the trademark clearinghouse and I think we keep focusing on that one example because it's the only one we've got. I mean, you know, we have to keep going back to where's the harm? And we haven't got many examples of harm. And I think

there's a real risk that you can throw the baby out with the bathwater in trying to fix something which is not really that big of a problem. And okay, you know, we all know about that example actually because he's got sunrise registrations. So you don't need to be able to challenge and view every mark in the clearinghouse in order to know that that guy has registered some sunrise registrations and gained what he believes to be an advantage. I don't see that as a really good argument that outweighs what we would see of the drawbacks.

Philip Corwin: Okay. Greg why don't you go ahead?

Greg Shatan: I, briefly just two points. I think and Susan's point and my point I think are consistent. They're both about strategy. The point of, you know, Facebook revealing by its trademark clearinghouse registrations which marks they value. And they may be valuing them for reasons that haven't even launched yet. They may be strategic in their strat plan which they're not about to publish.

And also equally strategically are the marks you decide are not particularly important or not important enough based on whatever your decisions are about the new gTLDs. You know, for most of my clients, you know, they registered maybe 10% of their marks in the clearinghouse. So it would be a lot easier to register the - for cyber squatters and others to register the other 90%.

Of course, you know, you only get the claims notice anyways but it's not a huge, you know, bar to even registering those that are in the TMCH. But at least, you know, revealing kind of what I called in the chat a reverse shopping list of the marks that I have not put in the TMCH, you know, you won't get a claims notice. And you can register them more freely perhaps, you know, not a good thing to - not to my mind.

But it's all about kind of revealing the strategy. And I said if you lower the price of the trademark clearinghouse to the point where everyone can throw their entire trademark portfolio in the database without it becoming, you know, a major topline expense for the company, you know, lower it by 90%, 95%. Then maybe we can talk about making it public because at that point it's no longer a strategic decision about what to register in most cases. But as long as it is priced at a point where it's going to be - or you need to be choosy and your choices are going to be dictated by strategy we have a problem. Thanks.

Philip Corwin: Now Greg I have one question and I'm just not being a hard-core trademark holder but more a policy person I know companies employ private monitoring services. And you would know with your clients and Susan would know for - do they tend to give all of their trademarks to that monitoring service to know when the identical or confusingly similar domain has been registered somewhere or are they also selective in how they use the monitoring, the private monitoring service?

Greg Shatan: Most of my clients are selective. You know, for some they've also been selective in their general brand development so their less selective in their monitoring. But many clients have, you know, trademarks of greater or lesser value to them for a variety of different reasons and they're really only going to monitor those where they, you know, there's is going to be a long-term use, there's going to be, you know, a certain amount of concern.

You know, at some point, you know, you may - obviously there are a wide variety of clients strategies. And there's some clients that will throw everyone into watching services or even multiple different kinds of watching services. But for the most part, you know, in managing a trademark budget it's usually more a matter of trying to make a king-size bed with a twin size sheet than it is a matter of trying to decide how you're going to spend all your money.

Philip Corwin: Okay George has his hand up. So make your comment.

Kathy Kleiman: Okay Kathy Kleiman again in my personal capacity. You know, it's weird in this age that of ICANN where we're talking about transparency and openness and accountability everywhere that this database wouldn't be transparent and open. The GNSO Council recommendations and the board recommendations did not envision a closed database. They just didn't.

In terms of harm that's a very good question to be asking. And again going back to the good faith actor and I urge people who do registrations for a living to think about this and provide input because we're going to be closing this discussion which is a great discussion and I'm very glad we're having it. The deterrent effect knowing ahead of time as you're doing the research for a new product, new name new small-company, new entrepreneur or new bid company or new organization knowing ahead of time what's in the trademark clearinghouse database seems to be a natural progression from the trademark office to the trademark clearinghouse to know what to avoid what you don't want to register, what other people are claiming rights to because you don't want to get that trademark claims because 93% or more are going to turn around and say no. Then that's going to be the end of the process when they're trying to – they've done the research. They - now they want to go to the registration and they're going to get that trademark claims notice and turn around.

So it seems like there's actually benefit in flagging everything for the good faith registrants of whom I think the majority of the world is to flag ahead of time what it is they should be avoiding so that they see it in the trade - in their trademark office and they see it in the trademark clearinghouse. And they too can effectively choose their strategy. Just a thought. I think we have George on the phone and then we go on to...

Philip Corwin: No we're going to...

Kathy Kleiman: We will obviously be continuing this discussion. But we'll go on to...

Philip Corwin: But not today.

Kathy Kleiman: ...talking about timelines and time frames.

George Kirikos: George Kirikos for the transcript. One thing I just noticed because of Susan's statement is if we kind of break down the benefits and costs separately for the trademarks claims notices versus the sunrise aspects of the records then that might change the debate. Where I see it most of the abuse in terms of recordal being entered into the database are more geared towards the sunrise aspect of the trademark clearinghouse.

So if we said that the marks that are going to be used for sunrise periods are all public and leave separate the ones that are only being used for the trademark claims notices that might help the debate because only about half of the marks in the TMCH are actually sunrise eligible. So if only the sunrise eligible ones were public that would go a long way towards improving things because there's going to be less abuse for the claims notices given that it's only there to provide a notice to the registrant to not actually jumping to the head of the line. Thank you.

Philip Corwin: Thank you George. Phil for the record, I appreciate your comment. I can imagine that the trademark advocates in the room would probably say that since getting sunrise rights requires proof of use those are the most valuable ones in the portfolio, the ones they most want to protect from revelation.

But I have found this discussion very useful in bringing a lot of facts to the subject and help me clarify my own thoughts about this. We're going to after this marathon session we're nearing the end. We're about four minutes away from the end so we're going to turn to briefly looking at the work schedule for this working group after ICANN 58 and whether we're on track and talking about what we're going to do to stay on track.

Kathy Kleiman: This is Kathy. While Mary's is calling up the documents for those who have been in the room who don't participate in our working group meetings they're generally held on Wednesdays. Well they're always held on Wednesdays generally between the hours of noon and 1:00 pm Eastern Time. So but there is a time designated once every four weeks for the Asia-Pacific region which is not a good time for Europe but a very good time for Asia-Pacific and late for the United States. So we try to make sure that it's a discussion that goes on around the world and we invite you to join us to become an observer or a member of the working group especially if you've found this discussion interesting today, come. It's a big working group already but we'd love to have more active members.

Philip Corwin: Absolutely the more the merrier. Okay so we're - we've got the calendar on display now. Right now we're at ICANN 58 and we are just wrapping up the intensive three-hour face to face session. We have a community session later on. Might I asked staff to remind me which day that is?

Mary Wong: It's just Wednesday.

Philip Corwin: Wednesday what time? Nine to 10:30 on Wednesday. And then we have no meeting the week after the ICANN meeting so people can recover and get back on their local time. And hold on I just have to - so then we're going to continue on trademark clearinghouse review the last meeting in March 1 the first one in April. So we're still on track right now. And the second weekend in April we're going to look at sunrise and claims charter questions.

And were going to wrap up we project wrapping up clearinghouse review at the meeting of April 19. And then for the rest of April into early May we're going to be doing sunrise registration claims review scoping the issues. And then we're going to from mid-May through the first week of June we're going to be reviewing sunrise registrations and whether any changes should be made in that.

And then we're going to prep for ICANN 59 how quickly it comes in Johannesburg. And will be meeting there the week, the last week in June. And that in July we're going to be getting into claims reviews, the trademark claims, the generation of notice and the wording of the notice and wrap up everything involved with the clearinghouse and the two related RPMs early August and then mid-August launch into reveal of uniform rapid suspension which will – it's the last major issue for phase one of our working group and it's a natural segue into phase two which will be on the UDRP which will start we project very early in 2018.

We can't tell you right now if we're going to - the co-chairs did have a call recently. And if it's required to stay on schedule we will start expanding the time of the meetings to either 90 minutes or even 120 minutes noting that the subsequent procedures working group has been regularly holding to our meetings particularly recently. And if we have to do the same to stay on schedule and wrap up phase one this year we're going to do that. But we'll be announcing that of course if we decide it's necessary to go longer meetings. So that's the schedule looking forward. Does anyone have any questions or comments about the schedule before we call this meeting to a close?

Maxim Alzoba: Question.

Philip Corwin: Maxim and then Susan. Yes go ahead.

Maxim Alzoba: A small question about May 17 is the start of GD Summit and lots of registers registrars will be there. So I'm not sure that they will be able to participate.

Philip Corwin: Yes. We'll make a note of that and the co-chairs will discuss it. I don't, you know, it's our meetings never resolve any issue in just one session. So I don't know that we'll cancel that week but we may adjust the schedule and the scope of discussion to account for the fact that we probably won't have any significant participation by contracted parties at that meeting.

Kathy Kleiman: Okay.

Maxim Alzoba: Just a moment. It's about sunrise review and those parties they heavily involved in sunrises so it's better to have them at the meeting to have more...

Philip Corwin: Yes.

Maxim Alzoba: ...reasonable out. Thanks.

Philip Corwin: Well thanks for noting that. And again the co-chairs Kathy and I and J. Scott Evans will discuss that and work with staff to adjust the schedule accordingly. So take note of that. Did you have something Susan?

Susan Payne: Yes really quickly. It was just even with extending the times of the calls and so on this is quite a challenging schedule to keep too given how late we are at the moment. We're kind of four months behind I think the previous workplan. So maybe it's kind of too late to be doing it with the TMCH but maybe when we get onto sunrise and claims we could take just a very short amount of time and prioritize what we're actually going to talk about and, you know, start with the highest priority.

Philip Corwin: Okay. We'll look at that idea and we do want to, you know, there's always this balancing act between being fast and being thorough. And we want to get done as quickly as possible. But since this is the one and only time we're going to be reviewing all of this stuff for a long time make sure we don't miss anything important. So it's that challenge there. Anyone else in the room have anything to say? I think...

Kathy Kleiman: I do.

Philip Corwin: ...Kathy has something to say. And before she speaks I just want to thank everyone in our working group for their dedication and hard work and sticking with this. It's important work. And I want to thank everyone in the room today

and in the Adobe room for sticking with us through this very long meeting. But I think it's been a very useful meeting and we had some very good discussions of complex and important issues during this three hours we've been here. Kathy?

Kathy Kleiman: Yes thanks Phil. Kathy Kleiman. I'd like to thank Deloitte for joining us and taking so much time and participating at the microphone as well and being part of the discussion. We invite you to continue.

A quick note that we'll be signing up subgroups shortly, not here but subgroups shortly to help us define the questions for sunrise and trademark claims. This is something we did for the trademark charter questions that we're working on. So think about whether you want to volunteer for the sub group which is an extra meeting a week.

And the last thing as you look at the tables to help us wrap up these 16 questions if something is a burning issue write it down and write down the reasons why it is a burning issue. That will help – and circulate it to the working group. That will help us all understand the debate so that we can come to a resolution. Thank you so much for being here for so long.

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