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Transcription

Review of all Rights Protection Mechanisms (RPMs) in all gTLDs PDP Working Group call

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Coordinator: Excuse me the recordings have started.

Terri Agnew: Thank you. Good morning, good afternoon and good evening. Welcome to the review of All Rights Protection Mechanisms RPM and All gTLDs PDP Working Group call held on the 21st of September 2016.

In the interest of time there will be no roll call as we have quite a participants. Attendance will be taken by the Adobe Connect room only. If you are only on the audio bridge could you please let yourselves be known now?

Beth Allegretti: Hi it is Beth Allegretti. I am only on audio only.

Terri Agnew: Thank you Beth.

Beth Bacon: Hi this is Beth Bacon. I am also only on audio.
Terri Agnew: Thank you.

Jeff Neuman: Hi this is Jeff Neuman. I am for the most of the call am only going to be on audio.

Terri Agnew: Thank you. Hearing no further names I would like to remind all to please state your name before speaking for transcription purposes. And to please keep your phones and microphones on mute when not speaking to avoid any background noise.

With this I will turn it back over to Phil Corwin, our chair for today’s meeting. Please begin.

Phil Corwin: Thanks very much Terri. Phil Corwin here. Thanks to our participants for joining today. I do see that Kathy Kleiman one of the other co-chairs is in the chat room. J. Scott Evens is off in Beijing this week and is not with us. But we will get going.

And what we are going to be doing today is reviewing some basics about sunrise period and the sunrise registrations. I realize this may be very familiar to many members of the working groups.

But we have to make sure that those who aren’t fully involved with the shaping of the applicant guide book and designing new RPMs understand the basics.

And then we are going to start discussing the working group charter questions relating to sunrise registrations.

So if we can – you have your own scrollability. I am now on Slide 3 which is the overview. And again apologies if this is elementary for you but I want to get everyone on the same page.
Sunrise period is a prelaunch phase providing trademark owners whose trademarks have been validated by the trademark clearinghouse with an opportunity to register domain names in a new gTLD and before registration is opened to the general public.

The sunrise period is mandatory in all new gTLDs for a minimum of at least 30 days. During this time trademark owners with validated trademarks have an advanced opportunity to register domain names corresponding to their trademarks before registration is open to the general public.

So how this relates to the clearinghouse clearly is that to take advantage of the sunrise period you must first register your mark in the clearinghouse to have that opportunity.

Moving onto the next slide. Now a new TLD registry operator has to execute the sunrise period according to certain technical requirements and we have a link there if anyone wants to look at those.

Key points of the technical requirements. Sunrise registration means the act of active trademark owner with a trademark in the clearinghouse registering a domain name during the sunrise period.

All sunrise registrations must be based on a valid signed, marked, dated. It is an SMD file which is a token demonstrating minimum eligibility for sunrise verified by the clearinghouse.

Registries may also establish other additional restrictions as specified on the technical requirements on trademark date restrictions, trademark class of good restrictions and (unintelligible) based registration restrictions. Those are all optional I believe for the registry operator.
The registries also have to have a sunrise dispute resolution policy and there is a link there to (donuts), sunrise and DPML dispute. Resolution policy DPML being an additional protection you can buy across their portfolio of domains for an additional fee. Or unit registry sunrise challenge dispute resolution policy. So those are required policies under the ICANN rules.

Again, every sunrise registration must be based on a valid SMD file which is a verification from the clearinghouse. It has to be used by the trademark holder to apply to a registrar for domain name during the sunrise period.

So while the sunrise period is required to be established by the registry operator, the actual registration goes through a third party, generally a third party registrar. It could be affiliated with the registry operator under the new rules.

From time to time IBM which are responsible for the technical functions of the clearinghouse database circulates a revoked SMD list to notify registers when an SMD file has been compromised or when a record is removed in the trademark clearinghouse database by verification provider.

One question that just popped into my mind that I would like note now. Maybe we can get into it as we look at this. How often are SMD files compromised and have to be revoked? I am not sure if that is a very prevalent problem but we might want to find out as we get into this.

Okay moving onto Slide 6. New gTLD registries must recognize and honor all word marks validated by the clearinghouse and maintained in the database. Those are trademarks which has gone through the verification process that was discussed on last week’s call.

Those are trademarks that are nationally or regionally registered and from which proof of use was submitted to and validated by the clearinghouse or marks that have been court validated or that are specifically protected by a
statute or treaty currently in effect and that was in effect on or before the 26th of June 2008.

I am sure there is a very good reason for that June 26, 2008 date but we can – if that is relevant we can get into it.

Okay Slide 7. The starting date for the sunrise. The registry must provide the service for a minimum of 30 calendar days prior to general registration and must provide 30 calendar days’ notice prior to the start of the sunrise period.

So they need to meet the minimum requirements if the sunrise period was going to open say November 1st. The general registration period was going to open November 1st. The sunrise registration period would have to run from at least October 1st. October is a month with 30 days.

And the notification to trademark owners eligible for the sunrise registrations would have to go out at least 30 days prior to that.

The end date of the sunrise, the registry has no advance notice requirement but must provide the service for a minimum of 60 calendar days prior to general registration. And must not use a time based allocation method such as first come first served.

I have to ask a question here of the staff. We have slide here which says, in the first bullet point that the registry must provide the service for a minimum of 30 days prior to general registration.

And the next bullet point says it must provide it from a minimum up to 60 calendar days prior to general registration. That seems to be a contradiction. Can staff explain that difference to me? Maybe I am just missing something.

I see Kurt’s hand is raised. And given his expertise he can probably enlighten us. Go ahead.
Kurt Pritz: I hope you can hear me. So thanks it is really a choice so the registry can select a start date, sunrise period or the end date sunrise period. And its genesis comes from the original implementation was, you know, 30 day sunrise period with 30 day notice period.

And when the registries came back and said, well what if we just offered it for 60 days total with what (unintelligible) that is really better for trademark holders.

It allows us, you know, more days for selling sunrise names. So gives trademarks equal or better protection and gives us a little more sale. And so that is why the end date sunrise was added as an option. So it is either or.

Phil Corwin: Oh okay. Hey thank you for the explanation Kurt. So they are not contradictory. And then we have the last bullet point which is that the majority of registries appeared to have offered the end date minimum 60 day sunrise period. Which would make sense. That would maximize the number of potential registrations they would get.

Moving on to the next slide. We have a graphic here which I don’t know that I need to explain. This you are all familiar with these types of graphics. But it illustrates the two different sunrise operations. The start date sunrise and the end date sunrise. So I think we can move on from that.

Okay Slide Number 9. Additional flexibility for new gTLD registries called a limited registration periods, LRP these are permitted on a voluntary basis.

LRP is intended to provide additional flexibility of registration of domain names to a closed group based on a sunrise like periods other than trademark rights. So those would be the other qualification criteria.
LRP must have registration restrictions limiting domain names from being generally available to all domain name registrants who may be otherwise qualified to register domain names within that new gTLD.

And LRP registrations must be subject to the trademark claims service. And then there is a note. No specific data is collected on the extent of deployment or usage of these additional voluntary mechanisms.

Let’s just note for later discussion or inquiry. Does that mean we have no idea of how many LRP registrations were made available and at which registries? So let’s back to that. I don’t think it is a major point but it is something we should note for the totality of our inquiry.

Okay additional optional early phase registration mechanisms. These are other flexible voluntary mechanisms that may be deployed by new gTLD registry operators. And again there is a note that no data is based as to the extent to which these are used.

So we have all these optional mechanisms and apparently no data being collected on their actual use. We can again, that is something we should look at to see if there is in fact no data on that.

Because it is hard to evaluate if any of these optional measures have been beneficial if we don’t know where and to what extent they have actually been used.

The approved launch program is one of them. The ALP. It was launched November 2013 it allows for approved new TLD registries to offer additional registrations prior to sunrise. These would not otherwise be permitted if the registry operator does not apply specifically to conduct such a program.
And then the qualified launch program, the QLP launched in April 2014 which allows registries to register up to 100 domain names to third parties prior to sunrise for purposes of promoting the TLD under certain conditions.

So I am not sure if the ALP is related to rights protections but it looks like the QLP is not related to rights protection. It is related to promotional activities based upon the information here.

Okay key terms and definitions for the sunrise period. And unfortunate – well this – box on the side that allow scrolling through seems to cut off the text in this. So I am not sure how to get rid of that side box.

Okay well I am not able to get rid of my little side box here but I will – let me see if I make this full screen if that helps. And it doesn’t. So I will just read it as best I can.

Identical matches means a domain name labeled that is an identical match to the trademark. It means the label must consist of the complete identical textual elements of the trademark and accord with Section 4.21 of the clearinghouse guidelines.

For example, if the trademark holder’s trademark is AB then the domain name labeled as appropriate must be AB for it to be deemed an identical match.

If it is EE with these interesting little marks over the Es then it is – the identical label is EE and I can’t read the rest.

Okay premium names. I know this is a topic of significant interest to the trademark community. A registry operator may reserve certain premium names for later release beyond the sunrise period at its sole discretion.
And registry operators may classify generic terms as premium names in that event. Such names are not available for registration during the sunrise period. And I can’t read the modifier but it has something to do with the subject of a trademark record.

I apologize here that I can’t read the entire text but it is just cut off in the slide I am working at.

And reserve names, a registry operator may reserve a domain name from registration. Under Spec 9, registry operator code of conduct, Section 1B. Land rush is the commencement of the go-live period of a new TLD launch when the registry begins accepting live domain registrations from registrants through registrars.

Okay excuse me while I am getting back to the regular screen so that I can see this. And now I have lost my ability to move to the next slide. I am on Slide 12. How do we get to 13? Okay there we go.

So moving onto Slide 13. Okay all right these are questions from the working group charter concerning sunrise. As I read our charter we are not required to answer every question. We can decide if a question is of minimum interest or if some questions are duplicative we can combine them.

We are required to at least consider every question. And we are not restricted to looking into just the questions that are appended to the charter. We can come up with our own additional questions as we conduct this inquiry. I just wanted to put that background out there.

So questions that are already in the working group charter that we have to at least consider. Should the availability of sunrise registrations only for identical matches without extra generic text be reviewed?
Is the notion of premium names relevant to a review RPMs and should it be defined across all gTLDs? Following Question 2. Should there be a mechanism to challenge whether a domain is in fact a premium name?

Should there be a specific policy about the reservation and release the reserve names? And should there be a public centralized list of all reserve trademarks for any given sunrise period?

Moving onto Slide 14. Should holders of TMCH verify trademarks be given first right of refusal once a reserve name is released? Should sunrise periods continue to be mandatory? If so, should the current requirement supply should they be more uniform such as everyone having a 60 day end date sunrise period?

Whether and how to develop a mechanism by which trademark owners can – I can’t read the word here. I guess it might be challenge or question sunrise pricing practices that flout the purpose of the sunrise. That will be an interesting topic as we get into it.

Whether more can be done to improve transparency and communications about various sunrise producers? And how is the emerging discourse within ICANN (unintelligible) human rights relevant to this PDP? I have no idea how to answer that question but it is open to the group.

And the final slide as is to look at those questions and consider which ones we would add or remove? Which ones are duplicative or can be grouped together? What the order of priority of addressing them should be?

And again we are not restricted to just asking and answering those questions regarding the sunrise period. We can come up with additional questions that we think are relevant to our charter responsibilities.
So we have run through all of that in just over 20 minutes. We have more than half an hour left for this call. So I’d suggest we go back to Slide 13 and we can start actually discussing these charter questions.

But before getting into them does anyone have any points they want to raise or questions they want to pose regarding the general presentation on the sunrise period?

What it is? What is required to participate? What the registry obligations are? What the additional operational procedures are? And apparently based on the slides we don’t have much data on how often or by whom they were used.

And I am just looking at the – I don’t see any questions in the chat room. So anyone have any points they want to make or questions they want to raise about the general review of the sunrise period obligations and requirements?

Beth Allegretti: Hi it is Beth Allegretti. I am on audio only.

Phil Corwin: Sure Beth.

Beth Allegretti: (Unintelligible) the wrong acronym. Is it LRP is one the optional mechanisms after sun life? What was that again?

Phil Corwin: Yes well there was an ALP, a QLP, oh yes the LRP. That is on Slide Number 9 for those of you in the chat room. That is the limited registration period. That provides flexibility for registration of domain names to a closed group based on sunrise-like period other than trademark rights.

So those would be rights arising from treaties or other legal documents but not from trademark registrations. That is what the LRP is.

Beth Allegretti: Okay thank you.
Phil Corwin: You’re welcome. Anyone else questions about any of the basic obligations, requirements and options for sunrise periods? And if not, we are going to open discussion of the charter questions.

I see Kathy’s hand up and Scott Austin’s hand up. So Kathy please go ahead.

Kathy Kleiman: Phil thanks great presentation. Thanks for the staff for some great slides. Quick note for everyone that there will be an opportunity to kind of revisit some of these questions of how this works. Because are going to be talking to the providers right Phil?

We are going to be inviting in Deloitte and IBM probably in the next month to talk with us about how they actually execute both the verification functions in here, the technical functions for example in the sunrise period.

So there will be another opportunity for people to ask questions about how this all works at a much more technical level. Thanks.

Phil Corwin: Yes thanks for bringing that up Kathy. And that will be very informative when we can actually talk with IBM and Deloitte about TMCH operations relating to the sunrise period.

And why have we just lost the slide presentation? It makes it difficult to go through the questions. Okay it is back.

All right Kathy is your hand still up? Or is that a new question or comment? Okay it is gone.

All right let’s get into the questions. Question 1, should the availability of sunrise registrations only for identical matches for example without extra generic text whatever generic texts means be reviewed?
So working group participants please let’s have some discussion of that question. It would seem to be asking whether if a trademark owner has a registration or particular mark they should be entitled to a sunrise registration not just for that mark but for something beyond the exact match of the mark.

Scott Austin I see your hand up.

Scott Austin: Thanks Phil. Can you hear me okay?

Phil Corwin: Yes I can hear you fine.

Scott Austin: Okay I just wanted to be sure. For the record Scott Austin. I am just concerned that most people who are involved with UDRP proceedings are fairly aware. I mean I think everyone on this panel is extremely sophisticated of the type of squatting.

And I guess I wondered at this stage with the number of sunrise periods that have occurred is there has been any data kept on the types of variance that have been allowed to get through that may have caused problems?

Because it seems to me, you know, someone who has an intent of and forgive me I am a lawyer. I tend to think in terms of someone intentionally trying to skirt these issues as opposed to comply with them.

Has there been a history of people using an extra – I don't know where this begins and ends. I think that there was a lot of discussion when this was initially created. But is it just you can add an S? Can you add a country designation at the end?

Can you add and still and then not receive notice? You know how much of…
Phil Corwin: Can I stop you there? I am not quite – let me say a couple of things. One, the trademark owner can only register the exact match of their verified mark under the current rules.

So they can’t do that and no one but trademark owners with verified SMD files can register in the sunrise period. Typosquatters, cyber-squatters of any type cannot register in the sunrise period unless they have a verified trademark for something.

The question here is I guess you are asking whether the trademark owner should be permitted. Whether we should change the rules to permit them to register for some variation of the mark.

Now they are – and I believe this applies to the sunrise period although someone correct me if I am wrong. ICANN did adopt the trademark plus 50 program as an implementation detail for the new TLD program.

And that permits a trademark owner to also register any variation of their trademark that has been – that matches a mark which they obtained through a UDRP or through a court litigation.

And in many cases those would be either, you know, the combination of the mark with a generic work associated with the good and services related to the mark or it would be a typographical variation.

So I think we could look…

Jeff Neuman: Phil?

Phil Corwin: Yes could I just finish and then I will let you go. I will let you talk.

Jeff Neuman: You said correct me if you are wrong. I am sorry I don’t mean to be rude. But that is not for sunrise.
Phil Corwin: Now who is speaking? You need to identify yourself for the record.

Jeff Neuman: Yes this is Jeff Neuman. The provision you mentioned only relates to claims. It does not relate to sunrise.

Phil Corwin: Okay then I was incorrect on that. Incorrect.

But the claims notice still requires a registration of that variation in the trademark clearinghouse. Correct Jeff?

Jeff Neuman: Correct. You still need to be in the clearinghouse. But the only benefit you get is that for those variations the prospective registrants or the applicant will get the notice and then the trademark owner at the end if the name is registered will get notice that the name is registered.

But there is no place to register a name. So your question is should something that be included for the sunrise as well?

Phil Corwin: Right. Well thanks for the correction Jeff. And exactly we can look at the extent to which trademark owners have taken advantage of the trademark plus 50 program to generate claims notices.

And then consider whether they should have the additional right to register those variations in the sunrise period. That would be perhaps I would suggest a good starting point for addressing this question.

Back to Scott, if you have further thoughts Scott after that exchange?

Scott Austin: Well thanks Phil. No that was very helpful and I get it in terms of the registration having an identical match. So I guess the concern that I have is when sunrise is over if someone is typosquatting and submitting a variant. Will that be picked up? Or how is that picked up?
Phil Corwin: Okay well right now I guess it would only be picked up in the sense of the trademark owner being notified through the clearinghouse rather than by an outside protection service if it is a TM plus 50 mark that they registered with the clearinghouse for the purposes of obtaining that notice.

Does anyone in the group have any opinion now as to whether a trademark owner who has registered a trademark plus 50 variance of their mark for trademark claims notice or purposes should be allowed to register that variation in the sunrise period?

I am not sure if they would want to but should they have that right if they do want to? Any views on that right now? All right, I don’t see any – Scott, your hand is still up, you might want to put it down. And Kristine Dorrain has raised her hand. Go ahead, Kristine.

Kristine Dorrain: Hi. Thanks, Phil. Kristine Dorrain from Amazon. I’m going to return to my mantra, which is I’d be really interested to know about the use case that is prompting this complaint, right? So, I mean, I notice that George Kirikos put in the chat that most sunrise periods are producing fewer than 1000 registrations. If that’s true, that says that brand owners are kind of reluctant to participate in sunrise all together. And giving them the opportunity to add variance I don’t know that that would really inspire them or would that, you know, sort of, you know, be something that brand owners are really chomping for.

So I would be very interested to hear even a couple use cases from any brand owners or representatives who could say, yes, it would be really great to get this because, gosh, this is a really tough, you know, situation. I keep – I keep going back to wanting to hear about the use cases that are driving the questions because otherwise I feel like we’re kind of shooting in the dark about what the solutions might be. Thanks.
Phil Corwin: Yes, thanks for this, Kristine. Very helpful as always. Yes, I see George thinks there might be gaming if registration of variants in the sunrise period is permitted. Paul Keating weighing in that they should not – that the sunrise period should just be for registration of validated trademarks and the trademark claims notice is a correctly or preventative step rather than a registration option.

And I have to agree with – disagree with Maxim who says, “Nobody reads the chat.” I can assure you that at least the cochairs read the chat while we’re running these sessions because they’re often very useful. But, yes, I do appreciate your point, Kristine, that given the relatively low use of sunrise registration periods, lower than I think many anticipated before the new TLD program launched that providing additional options to register variations of marks during the sunrise period is something that most trademark owners would not use but we’re willing to have if some trademark owners believe it would be useful in certain cases.

And I’m trying to see – Maxim says, “Nobody read his question on something.” And I don’t see it offhand but I would say to all the participants the best way to get your point across or to get your question answered is to speak up and not just type it in the chat room because not everything put in the chat room can be addressed during these relatively short calls.

Kristine, did you have further thoughts? Is that your hand back up or is that left over from earlier?

Kristine Dorrain: Yes, thanks. I know the chat has rolled really fast so I was just going to read Maxim’s question into the record in case…

((Crosstalk))

Phil Corwin: Okay.
Kristine Dorrain: It just has “Question. Please add questions of ALP and QLP. Were these in periods in need of review.” So I think his question just is, there is no charter question specifically around QLP or ALP, and should we review those, I think is that, Maxim, did I – is that correct?

Okay yes, he says yes. So sorry about that. I did see that question go by and I assumed staff was going to grab that but I think the chat was going pretty fast. Thank you.

Phil Corwin: Okay. Okay. Well I have no problem with that. I did, during the review of the slides, note that it would be extremely useful for this working group to know to what extent those optional programs have been used but the slides seem to indicate that there was no data on that. But the question becomes can we obtain data? Can we get staff to go out and somehow do a survey of something that would get us some data on the extent, if any, to which those optional services have been used.

And always, if something wasn’t used or used very sparingly is there some deficiency in it that could be corrected and improved that if it’s a helpful service to be utilized.

Now Ed Morris has asked that I read his question because he’s having telephone problems in northern England, which I’ll comment no more on the telecom quality in northern England other than his reference – noting his reference to that.

Ed’s question is, “Is it possible to expand the charter questions to include some of the underlying TMCH questions concerning trademark scope in the sunrise period.” To that he has in mind. One, when the trademark is registered in the TMCH database and it’s a generic or descriptive word. And sunrise is used for registering that mark as a domain name completely unrelated to the goods and service category of trademark protection. Is that
fair for other future potential domain name registrants? And should sunrise rights be limited to the categories of goods and services of the trademark?

Let me make a personal comment on that and then I will let Mr. McGrady and others chime in. I see your hand up, Paul. On the first question well, if the trademark owner has a mark it’s been registered to specific goods and services and one would think that the registration during the sunrise period, since they’re the only ones that can register in sunrise, would be related to those goods and services. So I’m not sure there’s a problem there that we can discuss it.

And second, I don’t know what limiting sunrise rights to the goods and services – sunrise right is just a right to register a validated trademark in a particular new TLD before the general public would have the opportunity to register the same mark. The question of goods and services usually arises in UDRPs or court cases as to whether there’s bad faith use of an identical or similar or confusingly similar domain name registration. I’m not sure it’s relevant to sunrise registrations, which is simply the ability to register the identical domain name that’s identical to the trademark.

With that comment, I’m going to call on the esteemed Dr. McGrady to enlighten us. Go ahead Paul.

Paul McGrady: Thanks Phil. Paul McGrady for the record. A couple of things. One, Phil, you’ve already essentially mentioned this which is that when it comes to domain name disputes generally speaking to confuse an analysis is that the domain name level and not at the use level. And so that’s an important part of the UDRP process and also how the cyber-squatting laws, at least in the States, are handled.

And specifically the ACPA in the US says without regards to the goods or services of the parties when we are looking at disputes over domain names. And so I don’t think that the goods and services that are currently registered
by someone who would take advantage of the sunrise process, I think that that is sort of a red herring in this context.

Secondly, registrations don’t cover everything that brand owners may want to do. I was, the other day in Lowe’s or someplace like that and I’m a Ford guy, my dad was a Ford worker and we drive Ford cars. And I walked up and down the aisle I noticed I think it was a pressure washer or something like that under the Ford brand. And it was clearly a genuine product and it was made by the Ford Motor Company and that’s an extension into a market that makes sense under a well-known mark.

By to say well, Ford, you can only use it on cars and you can use it for future products I think would be an unfair restriction on how trademark rights naturally expand into new territories. So hopefully we won’t get bogged down too far into this question because I just don’t think that it’s one that we can, you know, we can go about amending the trademark laws through this process. Thanks.

Phil Corwin: Paul, we can’t amend the trademark lawsuit is working group?

Paul McGrady: Not through this working group. There are other ways.

Phil Corwin: You know, I would just note and then I’m going to turn to Kathy, that a trademark owner who registrars an identical match to their mark in a particular TLD is not required to do anything with that domain. They can leave it dark. There registration might be simply for the purpose of preventing somebody else who might want to cyber squat their mark from being in that domain particularly if the TLD label is somehow related to the goods and services they are involved with. So the registration is separate from the use in my humble opinion.

Kathy.
Kathy Kleiman: Great. Thanks, Phil. And rather than debating the questions I do think we should – the question kind of on the table is were there things that weren’t included in the charter question for the sunrise period. So I think Ed Morris has pointed out something that does link questions under the sunrise period to questions that we actually saw under the trademark clearinghouse, which has to do with our generic or descriptive terms that are also trademarks in one way or three ways or 14,000 ways, are they, you know, is the scope of protection been given in the sunrise period, or the trademark claims overbroad?

And so I think it’s a very legitimate question to be asking. And I agree we shouldn’t be debating it now, but I think it’s a very legitimate expansion of the questions that we are looking at for the discussion since what we are doing really is mapping out the questions and methodology for the next six months. And now today is our sunrise period. So I think Ed’s questions are good ones.

And so I would expand them and ask is there any evidence of gaming where someone has registered a trademark for the purpose perhaps of registering during the sunrise period a number of valuable domain names to which they may or may not be entitled under traditional trademark law?

And I say that because there’s at least one story out this week about the potential for doing that, somebody doing thousands of registrations. So let’s look into gaming.

And to Paul, Paul, I agree with you on almost everything but, you know, if there is a dotPresident or a dotPresidentiallibrary I’ve got to say I think Gerald Ford has first crack at that and I don’t think Ford Motors would try to use the sunrise period to register ford.president. But in case they did, maybe that’s going too far. Maybe we should be looking. Maybe there are some circumstances where we should be looking at the categories of goods and services and the protections. So thanks. And back to you, Phil.
Jeff Neuman: Phil, this is Jeff Neuman, could I just be added to the queue at some point?

Phil Corwin: Yes, well you can go now, Jeff. Kathy just dropped her hand finished her statement and there’s no one else in the queue now, so go ahead.

Jeff Neuman: Okay thanks. Not addressing what – sorry this is Jeff Neuman, not addressing the last question, but as far as an additional question, you had asked whether we should look at the things like the QLP or whether registration periods, etcetera. I think we should but only to the extent of whether they were used or allegations that they to circumvent the sunrise process.

You know, and I’m not making a prejudgment as to whether that’s a good thing or a bad thing, but just that that has been a complaint that was received that either some registries reserved names that were not made available in the sunrise or that names went to people that – without ever offering them during the sunrise period. So I think that’s the only element that should be reviewed in this PDP working group but not the other elements of processes and procedures and how they worked and whether they should be allowed, just the effect of those periods on the sunrise.

Phil Corwin: Hey, Jeff, you’re a cochair of the Subsequent Procedures Working Group, are you looking at the operation of that in your group or planning to?

Jeff Neuman: Right now it would be looked at only in the sense of contractual provisions but not as far as the operation of it. I think that’s one of those areas that we should kind of get together – the cochairs should get together and talk about where that fits in.

Phil Corwin: Yes, I agree. We want to make sure things don’t fall through the cracks. Was that it, Jeff?

((Crosstalk))
Jeff Neuman: Yes, thank you.

Phil Corwin: Okay. And responding back to Kathy, let me share Ed’s question is now noted – the two he raised are noted in the notes and action on the right side of the screen. And along with other things about – the question you raised about gaming. So they’re on the list now and we can circle back to them.

I think gaming is certainly something we want to look at if someone is, you know, I know there’s a reticence in this group to look at the validity of trademarks but there are at least press reports that certain parties may have registered marks in jurisdictions where it’s quite easy to do so for the express purpose of gaming the system.

And if that is going on, that would – and if there’s a legitimate trademark owner with the same mark that would be against their interest to be having that happen. It would undermine the quality of the rights protection that was intended to be provided. So yes, we can certainly look at that.

I’m going to move on to Question 2, which I’m sure there will be quite a bit of discussion, although we have to be careful with it because I think it’s going to migrate into the pricing area and we all recognize that ICANN took a hands off approach on pricing for new gTLD registries and that as a result we see every possible variation from zero or a few cents for a domain to hundreds of thousands of dollars for a domain in the new TLDs.

But the question is, is the notion of premium names, quote unquote, relevant to review of RPMs and if so should it be defined across all gTLDs? I’ll start the discussion by just saying I think it is relevant based on what I’ve heard within the Business Constituency and coming from the IPC, that one reason that there’s been relatively lose utilization of the sunrise period is that many of the marks eligible for sunrise registration wind up being listed by registry
operators as premium domains for substantially higher prices than the regular domains at their TLD.

And as a result many trademark owners decide to bypass the sunrise registration period and wait for general availability to open up. So I'll start any discussion on that question with that statement I've just made. Do we have further discussion on the relevance of premium names to our review of rights protection mechanisms, which is of course includes the effectiveness of those mechanisms.

Rebecca Tushnet: This is Rebecca Tushnet on the phone.

Phil Corwin: Yes, Rebecca.

Rebecca Tushnet: Thank you. So I actually – I want to emphasize it is rights protection not like brand protection or business protection that we're after so I would like to hear the case for how even, you know, high pricing implicates trademark rights as opposed to business interests.

Phil Corwin: Okay. So that would indicate your view that pricing in the sunrise period has no relevance to the quality of the rights protection.

Rebecca Tushnet: Yes.

Phil Corwin: Okay.

Jeff Neuman: This is Jeff Neuman, if I can jump in the queue at some point?

Phil Corwin: Yeah, Jeff, Paul McGrady has his hand up. I'm going to let Paul speak and then we'll get back to you, okay? Go ahead, Paul.

Paul McGrady: Thanks, Phil. Paul McGrady here. So I guess from my point of view it depends on why the – why it's premium, right? Is it premium because it is
premium and if that trademark right did not exist it would still be premium? Or is it premium because of the corresponding trademark, right? And unpacking that is not always easy for some trademarks, but for other trademarks it’s pretty obvious, right? Again, it depends on the strength of the mark and other things like that.

So I don’t think this is one where we can just say, you know, there’s no connection because, you know, I think that there very well could be a connection between a premium pricing and the corresponding trademark. And in fact without naming names, it seemed to be that some registries specifically targeted trademark registrations for the value that the additional registration added to the domain name thus declaring it premium. So I don’t think we can brush this one off and move quickly through it; I think this is going to take some real diagnosis and figuring out how to fix that little glitch in the system. Thanks.

Phil Corwin: Yes, Paul, let me ask you – you may know this – have the premium names been restricted to dictionary terms like apple and united or have we seen unique brand names or unique product names listed as premium names by any new registries?

Paul McGrady: So, you know, I don’t know how to answer that with any level of certainty but I also don’t want to necessarily, in responding to the question, buy into the fiction that just because something is in a dictionary that it is inherently a premium term on its own, right? There’s lots of...

((Crosstalk))

Phil Corwin: I didn’t mean to imply that just that it would be more evidence of pricing abuse, if a non-dictionary unique name such as the ones George noted in the chat room such as Verizon or Exxon was listed as a premium name.
Paul McGrady: Yes, so the good news here is that I think there’s going to be quite a bit of data on this point and it will be interesting to see how many of those premium names correspond to identical marks on the USPTO registry.

So this is actually one that there’s data out there that we should be able to gather and find out because if it’s, you know, 3% of all domain names that were listed by registries for sale at a premium correspond to trademark related terms on the USPTO registry or whatever registry or in the trademark clearinghouse if we could actually get that data, somebody seems to be able to, that would be a yawner and we would say well I guess there’s not much problem here because, you know, 3% doesn’t seem very high. But if 97% of premium terms also correspond to trademarks and only 3% don't that says well gee, was there something here to talk about, right?

So, you know, we just have to – unfortunately this is going to be a data slog but I think we have to unpack this one.

Phil Corwin: Okay. Okay. Thank you, Paul. Jeff Neuman, I know you’ve been waiting patiently, go ahead.

Jeff Neuman: Sorry, my connection is terrible too, so sorry about this. I would add pricing to the extent as well where the pricing is substantially higher during the sunrise than during general availability and getting data around that. I’m not talking about a little bit higher, I’m talking about multiple higher.

Phil Corwin: Okay. So so far it seems like there is interest within the working group to pursuing the relevance of premium names…

Rebecca Tushnet: Sorry, this is Rebecca Tushnet again.

Phil Corwin: Yes, can I just finish, Rebecca? Then I’ll let you go. I just was summing up that that is relevant to our review of the effectiveness and we haven’t yet addressed whether that – whether premium names should be defined across
all gTLDs. I'm not quite sure that that means but up to now the current program allows any registry operator to create their own list of premium names without consulting any master list or looking at whatever other registry has done.

So, Rebecca, what was your point?

Rebecca Tushnet: Yes, I have yet to hear anyone explain the connection between pricing and trademark rights as opposed to I would like to get these domain names more cheaply. So, you know, it is certainly the case that there are, for example, business locations in the physical world that are of extra value to say, someone who has a gas station. The fact that you can charge them higher prices doesn't mean that abuse is going on, and it certainly doesn't mean that trademark rights are implicated.

So, you know, I hear the word “abuse” and I understand why people are unhappy. I mean, I'd be unhappy too but what's the link to…

((Crosstalk))

Phil Corwin: Let me respond and others can respond. I see Bradley's hand up. Rather than abuse I keep emphasizing we are, under our charter, required to look at the effectiveness of the RPMs. And let me give an extreme example to illustrate the point of when pricing might make this RPM sunrise registrations on an RPM less effective. A new registry opens up, its pricing for domains in general availability is going to be $10 a year but it has a list of premium names, which is heavily weighted toward registered trademark terms, and the sunrise registration for each of them is $10,000.

So there is a right to register but the pricing would discourage registration during the sunrise period and therefore undermine the effectiveness for trademark owners. And some trademark owners might feel rightly or wrongly that they were being gauged by that time of pricing scheme. So I think that's
the connection. And we have to look at – I don’ say we have to but there is, I know of you, that pricing has some relation to effectiveness and we can get into that, although I don’t see us having any ability to contemplate that ICANN’s going to change its hands-off pricing power, but perhaps there’s another way to look at that. Bradly. And I’m going to give everyone two-minute warning on this call. Go ahead, Bradley.

Bradley Silver: Thanks. Bradley Silver for the record. So, Rebecca, I think that the analogy you brought up about, you know, the physical world being – certain locations having a greater value than the other is actually not a bad one except that in the world of trademarks the reason why a location has a better value is precisely of the value associated with the goodwill connected to that particular mark. And that goodwill is for the benefit of the trademark owner and not for the benefit of someone who attempts to corrupt it and charge a higher price because that has driven the value of that particular location up.

So I think there is a very, very direct, you know, as was just explained really, I think a direct connection between goodwill associated with the mark and the pricing associated with the domain.

Rebecca Tushnet: So you think high prices are infringing?

Bradley Silver: I don’t think that high prices are necessarily infringing but the question is whether or not they’re abusive.

Rebecca Tushnet: But abusive meets a standard and I guess that’s my question, I thought it was trademark rights and not business interests.

Phil Corwin: Well the cochair is going to chime in, and I know I’m getting to be a bit of a broken record on this but I think we should be focused on our charter task which is to evaluate effectiveness and stay away from more subjective terms like abuse.
Marina Lewis, go ahead, we’re at the one-hour mark. Let’s get your comment in and then we’ll wrap this call up.

Marina Lewis: Thanks. I promise to keep it really short and sweet here. Regarding Rebecca’s question, I think the issue becomes of whether or not it is abusive on its face or is this abusive in its application? And we can say to trademark owners, yes, you can take advantage of all these rights protections mechanisms and just simply defensively register all these domain names and then that solves the problem.

However, if the effect of premium pricing is such that the mark-up is a matter of, you know, hundreds of, you know, percentage points, you know, again $10 versus $10,000, then the overall expect of that is that it becomes so cost-prohibitive to exercise the right to defend their brands that in essence it becomes a chilling effect. So I think that’s important to raise because this is happening left and right.

I’ve seen premium domains for trademark terms exceed six figures and it’s absolutely price-gauging. And again, we’ve had clients that have to make determinations in terms of their legal budget how many of these domains are we going to register? And it’s not that we wouldn’t try to take action but if you are looking at spending upwards of a quarter million dollars a year in defensively registering domain names, people aren’t going to do that. And I think that’s – we need to keep that in mind when we evaluate the effectiveness of these premium pricing. So that’s it.

Phil Corwin: Okay. Well thank you, Marina. I’m just going to note that Paul Keating posted in the chat room, “This issue is not resolved.” And absolutely, Paul, we are just taking a very first cut at all these questions. We’re going to get much deeper into all the ones that the working group things are relevant to our task. And with that I’m going to thank everyone for attending. Staff, our next meeting is next Wednesday, I believe, the 28th. What time are we holding
that call next Wednesday? Today we held it at the later hour to accommodate more of our Asia Pacific participants.

Terri Agnew: And, Phil, this is Terri. It’ll be the 28th at 1600 UTC.

Phil Corwin: Okay. So we will return to this discussion. We have many more questions to go through. And we’ll see you all online one week from today at 1600 UTC. Thanks for your participation. I hope everyone found this useful start to our inquiry into the sunrise registration period. Thank you.

Terri Agnew: And once again the meeting has been adjourned. Thank you very much for joining. Please remember to disconnect all remaining lines and have a wonderful rest of your day.

END